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LABOUR AND INDUSTRY IN AUSTRALIA

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FROM THE FIRST SETTLEMENT IN
1788 TO THE ESTABLISHMENT OF
THE COMMONWEALTH IN 1901

BY

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MEMBRE DE L'INSTITUT INTERNATIONAL DE STATISTIQUE

IN FOUR VOLUMES

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PART IV—*Continued*

IV

IMMIGRATION

DURING the fourth industrial period immigration to Australia changed its character completely. Before 1851 the voluntary immigration had been small, and altogether overshadowed by immigration promoted by the Government. During the gold period this was reversed, and the immigration of persons not in any way assisted by the State or charitable organizations far exceeded in numbers that of the other class. In New South Wales itself this was not the case so far as immigration from Europe alone was concerned, but it was true of the total immigration.

During the first five years of the period the traditional policy of assisting immigrants from the United Kingdom was still held to firmly by the authorities, and numerous experiments were tried and abandoned, but in the principal colonies public opinion on the subject of State-aided immigration underwent a complete change before the period closed, and a large section of the population was opposed to it.

NEW SOUTH WALES

When the period opened immigration to New South Wales was going on slowly under the threefold system inherited from the previous period, but in 1851 the number assisted had fallen to barely 1850. The majority of these were selected by the Commissioners in England, the numbers brought out under the remittance and the land deposit systems being comparatively few. There was a decided

feeling in the colony that the immigrants sent out by the Commissioners were not well chosen, and that the system was very costly. The Legislative Council in May 1851 adopted this view, and a Declaration and Remonstrance was drawn up, in which State-aided immigration was referred to in the following terms: "Our Territorial Revenue . . . is in a great measure confined to the introduction among us of people unsuited to our wants, and in many instances the outpourings of the poorhouses and unions of the United Kingdom, instead of being applied in directing to this Colony a stream of vigorous, efficient labour calculated to elevate the character of our own industrial population." But, *pace* the "outpourings, etc.." this was but another way of alleging that the immigration business was conducted rather with a view to benefiting England than the colony to which the emigrants were sent.

It was expected that the gold discoveries would stimulate voluntary immigration so effectually, that it would be unnecessary for the State to expend money in bringing out labourers. So confident was the Governor that this would happen that, in July 1851, he wrote to England asking the Emigration Commissioners to put a stop to the selection of immigrants, as soon as the funds they had in hand were exhausted. The forecast of the Governor was soon proved to be a mistaken one. The gold discoveries gave a stimulus to industry, but at the same time they had the effect of abstracting labourers from their regular employment, so that the demand for labourers increased very greatly. Meantime, there was no immediate rush from Europe; men *did* arrive in considerable numbers from the other Australian colonies for a short time, but when the extraordinarily rich discoveries were made in Victoria towards the end of September 1851, they not only diverted the stream of immigration to Victoria, but drew away from New South Wales itself large numbers of old settlers as well as recent arrivals. In December 1851 Fitzroy wrote not only countermanding his instructions to the English Commissioners to cease sending out immigrants, but

urging them strongly to greater activity, and at the same time providing additional funds for the payment of assisted passages.

In January 1852 the regulations were revised, in order to make it easier for persons desirous of obtaining passages for their friends to remit money to England for that purpose. Agricultural and pastoral labourers, miners, together with the families of these classes, and female domestics could be nominated for a passage by the Commissioners' ships, on a payment of £4 for each person between 14 and 40 years of age, and £2 for persons below 14 years of age. Persons between 40 and 50 years could have passages secured for them by the payment of £6, while for those over 50 the charge was £12, which was at the time practically the full cost of the passage to Sydney. The system was extended so as to include bricklayers, blacksmiths, masons, sawyers, wheelwrights, and other mechanics likely to be useful in a growing community. Persons of these classes could be nominated for £8, provided they were between the ages of 14 and 50 years. A change was made in the regulations in regard to the right of nomination granted to persons proposing to take up land. These nominations were required to be made within six months of the deposit of the money, and the persons nominated were to be such as would be approved by the Emigration Commissioners.

The changes in regulations had a stimulating effect on immigration. In 1852, 816 persons were nominated and in the following year 2345; meanwhile the ordinary assisted immigration was proceeded with, and in addition to the nominated persons 4165 others were despatched by the Commissioners in 1852 and 8067 in 1853. But though immigrants suitable to the requirements of the country could be obtained in fairly large numbers, they could not be compelled to undertake work at their trades. The allurements of the goldfields were too strong, and a large proportion of the men who were brought out in the expectation of their taking work in Sydney and in the pastoral

and agricultural districts at once made their way to the diggings of New South Wales or Victoria. The Legislative Council discussed the matter very seriously, and sought to devise a scheme whereby State-aided immigrants would be compelled to fulfil the purpose for which they were brought out; at the same time it was thought that the attractions of the colony were sufficiently great to warrant a decrease in the assistance granted, and so enable a larger number of suitable persons to be emigrated. Towards the close of the year 1852 a Bill was passed, to regulate the indenting of assisted immigrants to employers in New South Wales. By this Act all male immigrants and unmarried women, selected by the Commissioners, were required to enter into an agreement to serve an employer for a term of two years at the current rate of wages, and to repay out of their wages a certain portion of their passage-money, the rest of which they were to pay in England before leaving. The rates were as follows :

	To be paid in advance in England. £	To be paid in the colony. £
Married agricultural labourers, shepherds, miners, and other male country labourers, not exceeding 45 years of age .	1	12
The same classes, exceeding 45 years but under 50 years .	5	8
Do. exceeding 50 years . . .	11	2
Unmarried men of the same class, not exceeding 40 years .	1	12
Unmarried females, farm and domestic servants, not ex- ceeding 35 years . . .	1	12
Country mechanics, blacksmiths, bricklayers, carpenters, masons, etc., under 45 years	5	10
Do. above 45 but not exceeding 50 years	8	7
Do. above 50 years	15	..

The amounts thus made payable in the colony were to

be paid in the first instance by the employers, half at the time they engaged the immigrants, and the rest a year later. Employers were authorized to deduct any moneys paid by them from the wages of their servants during the period of indentured service. Any immigrant might, on his arrival in Sydney, pay the money due for his passage, but if he failed to do so he was required to take an engagement, subject to the right of his employer to make the above-mentioned deduction from his wages; and having entered on such engagement an immigrant could not release himself until after one year had elapsed, and then only by paying the second instalment of the money advanced for his passage.

Early in 1853 the Commissioners in England were instructed to bring these new provisions into use as soon as possible; but as some difficulties were to be anticipated in carrying out the change of policy, discretion was given them as to their course of action, provided the stream of immigration was not interrupted. When these instructions reached the Commissioners, the funds available for emigration were almost exhausted, and they exercised the discretion given them to allow the bringing into force of the new policy to stand over till funds were available. Throughout the whole of the year 1853 the Commissioners were very active, and 10,412 persons arrived in the colony under their auspices. The fares had been advanced to £20, and the cost of sending out this large number used up all the money available; indeed the revenue of the land fund had been somewhat anticipated, so that it was not until after the middle of 1854 that the Commissioners found themselves in a position to despatch emigrants under the new arrangements, the first ship arriving in Sydney in September of that year.

In consequence of the long interval that had elapsed without the arrival of any immigrants, the labour market was very badly supplied, and employers were eager to obtain servants on almost any terms, agreeing readily to the conditions for the hiring of immigrant servants and

the repayment of the passage-money. The immigrants themselves made no demur at first in entering upon indentured service for two years, as they had agreed to do before leaving England. But this happy state of affairs did not last more than a few months. At the close of 1854 trade was in a declining condition, and employers hesitated to make themselves responsible for employing untried servants for two years and paying in advance the money due to the Government for their passage. The immigrants also showed less willingness to accept the employment offered to them. This was natural enough, considering the wild rumours of gold finds which greeted them on their landing, and the very exaggerated reports as to the wages they might command, which were current in England. The first difficulties arose with the unmarried women. It was considered a grievance that they could not release themselves from their indentures if they wished to marry, and the Act was soon altered so as to admit of a woman servant releasing herself at any time by paying the sum due for her passage. The male immigrants refused persistently to accept the offers of employment, which were made to them during the lay days of the ship. According to their agreement, on the expiration of the lay days, they were bound to enter into any suitable service found for them by the immigration agent, but in practice this provision was inoperative, because an employer would not become a party to a two years' contract with an unwilling servant, especially as he was required to pay at once £5 or £6, on account of the money advanced for such servant's passage, and become ultimately responsible for the balance. The immigration agent suggested that such immigrants as would not accept engagements should be taken into the service of the Government till they had repaid their debt, that is to say, they should be set to forced labour. But the time was past when such a course could be adopted, and the men were allowed to seek work where they pleased. Some attempt was made to obtain their passage-money from them, by threats of legal pro-

ceedings, but without success. The Act of 1852 was therefore a complete failure, and the portion of it affecting assisted immigration was repealed towards the close of 1855. The Emigration Commissioners in England experienced no difficulties in obtaining emigrants—indeed, the labouring classes in England eagerly welcomed the regulations of 1852, on account of the low initial payment demanded and because married women and young children were carried free. The only persons who seriously objected to enter into binding agreements before emigrating were unmarried Englishwomen, and the number of these sent out was not large.

During the operation of the Act of 1852, 20,000 persons were despatched to Sydney. Most of these either paid little attention to the conditions under which they were accepted as immigrants, or were willing to leave the question of their fulfilment of those conditions to the future. The first arrivals entered obediently enough into the indentures required of them, but subsequent shipments, as we have seen, adopted a different attitude. Perhaps the discovery, after reaching New South Wales, that the breaking of the indentures made them liable to three months' imprisonment had something to do with their reluctance to entering upon the agreement required of them. However that may be, the agreements were not entered into, and the refusal or neglect to pay the balance of the passage-money, which was almost general, was in accordance with the usual experience, that it is well-nigh impossible to collect money from immigrants after they have arrived in the country of their destination. The authorities in Sydney had ample opportunity of learning this from what happened in 1843, but with cheerful optimism they set to work as if human nature had changed in ten years. The experiment cost the colony some £250,000.

The law of 1852 dealt with two other classes of immigrants besides those assisted by the Government. Colonists desirous of obtaining labour were permitted to introduce

immigrants at their own expense; persons so introduced were allowed to enter into contracts of service for a period not exceeding five years, and employers were authorized to retain from the wages of their servants an amount not exceeding £10, to compensate them for money advanced towards their passage-money. Shipowners were likewise permitted to bring out immigrants from the United States under indentures to serve for a similar period. In neither of these cases did the colony make itself responsible for any payments. It merely authorized the contracts of service and gave power to recover by legal process money paid on account of passage, up to a limit of £10. During 1853 sixty-eight persons were brought from the United States, on the understanding that they would enter into contract service as allowed by the law. The immigrants endeavoured to evade carrying out their obligations, on the ground that the shipowners, by whom they had been recruited, had not fulfilled their undertaking in regard to the food and accommodation supplied on shipboard. The matter came before the Courts, and a decision adverse to the immigrants was given, but the money recovered was not sufficient to warrant the shipowners repeating the experiment, nor could immigrants have been recruited under normal conditions in the United States. The one shipload was obtained at a time of exceptional distress and lack of employment.

The incentive held out to shipowners under the Act of 1852 having been found insufficient, and the urgent need of obtaining rural labourers still continuing, the Legislative Council was prevailed upon to set aside £10,000 for the payment of bounties on foreign immigrants, at the rate of £18 per adult, and £9 for children under 14 years of age. Every adult for whom bounty was claimed was bound to enter into service for two years, during which his employers were to pay £13 to the State, deducting that sum from his wages. Numbers of Germans, Swiss, and Italians were taken to New South Wales under this arrangement, and little trouble was experienced in getting the

men to enter into contracts of service, and to repay their passage-money from their wages. As a rule the foreign immigrants were regarded favourably, and their coming was not resented by the working classes, although their wages were somewhat lower than those accepted by the English immigrants and generally current. Serious abuses, however, were discovered in the manner in which this foreign immigration was conducted. The food and accommodation provided were very bad, and in 1858 a committee of the Legislative Council reported that it would be necessary to make such a strict inspection of foreign immigrant ships, arriving in Sydney, as would practically put an end to the traffic, unless the abuses complained of were speedily removed.

In connexion with the subject of the treatment of immigrants on shipboard, it may be mentioned that during this period a very great improvement took place in the accommodation given to steerage passengers on ordinary ships. Before the great gold rush to Australia shipowners had been under no obligation to provide proper or even decent accommodation for their passengers, and the condition of steerage passengers on ships not chartered by the Government was extremely bad. In 1852, however, the Imperial Parliament amended the Passenger Act so as to extend its provisions to Australian as well as to American ships, with the result that, so far as concerned the trade between England and Australia, the lot of passengers on private ships was greatly improved, the accommodation given them being practically the same as that which the Land and Emigration Commissioners had found it advisable to stipulate for, on ships chartered by them for assisted immigrants.

The failure of the attempt to bind assisted immigrants from Great Britain to labour under contract of service led the authorities of New South Wales to regard with increasing favour those who came out under the remittance regulations. These persons were as a rule bound by ties of private interest to the persons who had sent for them.

and made no difficulty about taking up the employments which had been provided for them. In 1854 the regulations were so altered as to permit the nomination, hitherto restricted to predial labourers and mechanics suitable for country work, of any person accustomed to work for wages, and this was held to include shopmen and clerks. A year or two later the regulations were again revised, and "immigration remittance orders" could be obtained for mechanics and other members of the working class, and for their wives and families, by the payment of £4 for each person between the ages of 12 and 40 years, £8 for those from 40 to 50 years, and £2 for those under 12 years.

Such were the methods by which the State aided immigration during this period. The number of assisted immigrants was at its maximum during the five years 1853-1857, after which there was a considerable decline; the goldfields of New South Wales were no longer alluring, and for the time the agricultural and pastoral prospects of Victoria were more attractive than those of the Mother Colony. The number of immigrants who were introduced by the Government during each year of the decade was as follows :—

1851	.	.	1,846	1856	.	.	7,210
1852	.	.	4,981	1857	.	.	10,205
1853	.	.	10,412	1858	.	.	6,916
1854	.	.	7,309	1859	.	.	5,114
1855	.	.	14,567	1860	.	.	3,089

The immigrants who received no aid from the State did not in all cases pay the cost of their own passages to Australia; on the contrary, many of them received help from some charitable society or organization to promote emigration. There were at the beginning of the period several such societies in England, whose object it was to introduce persons of the working class into New South Wales. The most important of these was the Family Loan and Colonization Society, of which Mrs. Chisholm was the head. This lady, whose estimable work during the previous period has already been referred to, was engaged in diffus-

ing among the working classes of the United Kingdom a knowledge of the benefits they might expect to obtain by emigrating to Australia. She arranged for emigrants to go out in groups of families or friends, and to those who needed the assistance she advanced one-third of the passage-money, provided that they engaged to repay the advance after their arrival in Australia. Mrs. Chisholm was careful in her selection, and obtained a useful class of immigrants, and her work found so much favour in the colony, that the Legislative Council on two occasions voted £10,000 to assist her Society in its work. During 1854, 552 persons were sent to New South Wales under Mrs. Chisholm's auspices, and they were welcomed eagerly, especially as they arrived free from obligation upon their employers to repay their passage-money. In regard to the repayment of the advances made to immigrants, Mrs. Chisholm was not more fortunate than the Government, as the immigration agent reported "very few of them have been found willing to act up to their contract," that is, to repay the loans made to them, and as a matter of fact the amounts collected from them were very trifling.

Another Society for aiding immigrants was Sidney Herbert's Female Emigration Society, established for the purpose of helping distressed needlewomen and other females to emigrate. The first shipload of these women arrived in Sydney in August 1851. Their passages had been paid by charitable subscriptions, and it was thought that the majority of them might be fit for domestic service. They obtained employment readily, but it was soon evident that many of them were of bad character, and very few proved desirable additions to the population of the colony. Some later arrivals were better chosen, but on the whole the immigrants sent out were not of a desirable kind, and the Society passed quickly out of existence.

At the beginning of 1853 a number of immigrants from the Scottish Highlands were sent out by the Highland and Island Emigration Society. It was thought that these

people would be very suitable for the rough life of the interior; unfortunately these expectations were not realized. None of them understood English, which in itself was a serious drawback, and as a whole the immigrants were reported to be "slovenly, dirty, and discontented." The women were so uncouth that they were entirely unfit for domestic service. The only labour which they were capable of undertaking was field work, but, as there was a strong feeling in the colony against allowing women to engage in such employment, they could not be so employed. The Society had paid for the passages to Australia of all the persons it had sent out, in the expectation of being repaid later on; indeed, each responsible person amongst the immigrants had given his promissory note for the amount paid on his behalf. The immigrants were attacked by infectious disease during the voyage to Sydney: in the long period of quarantine which ensued many of the persons who were responsible for the passage-money died, and, as usually happened, no attempt was made by those who survived to meet their obligations: in the circumstances, the Society asked the Government of the colony to endeavour to recover the money for it. Naturally, the Government declined to interfere in the matter, and the work of the Society speedily came to an end.

The immigrants, introduced by the Government and by the charitable organizations just mentioned, were in all cases persons of European descent, but a section of the colonists still hankered after something which would approximate to the semi-servile labour of the convicts, and various trials were made of coloured labour. The attitude of the pastoralists at Moreton Bay towards immigrants has already been referred to, and, there being no legal difficulties in the way, the more enterprising among them resolved to make a trial of Chinese labour, and some 2000 coolies were introduced between the years 1851 and 1854.

Excluding Asiatics, the number of immigrants who paid their own passages to New South Wales was returned

officially as in the following table. It is incomplete, however, and represents practically those only who arrived in British vessels. Amongst them was represented almost every nationality in the world; nevertheless the great majority either came direct from the United Kingdom, or thence by way of the other Australian colonies. In these figures are included the immigrants sent out by charitable institutions, whose numbers cannot now be distinguished from those of the ordinary immigrants :

1851	.	.	756	1856	.	.	8,791
1852	.	.	3,781	1857	.	.	5,373
1853	.	.	3,355	1858	.	.	17,823
1854	.	.	2,693	1859	.	.	7,360
1855	.	.	3,116	1860	.	.	12,984

There was also a fairly large immigration from Bremen and other foreign ports, of which the immigration agent made no return. When every allowance is made on this score, however, it is clear that the gold discoveries did not stimulate immigration to New South Wales in a very powerful way. The rival attractions of Victoria were too great, and the majority of those who came to Australia to dig for gold went to the colony where most gold was to be won.

There was a great deal of shifting of population between one colony and another during the whole period. From May to October 1851 there was a flow of immigrants from Victoria and Tasmania to New South Wales; after October the flow was from New South Wales to Victoria. This movement continued throughout 1852, when more than 12,000 persons went from New South Wales to Melbourne and Geelong by sea. In 1853 and the first half of 1854 the balance of migration was still largely against New South Wales and in favour of its southern neighbour both by sea and land. From the census of 1851 to that of 1856 the increase of population in New South Wales was 61,541. The excess of births over deaths may be taken as 25,700, while the immigration from Europe was about 54,800, so that the loss of population, mainly to Victoria, may be set

down at 19,000. This drain of population from New South Wales ceased in the latter half of 1854, or rather what loss there was to Victoria was made good from that colony, from Tasmania, or South Australia, and there was a considerable accession of population from Europe which continued during 1855 and the following years.

In 1858 the rush to Port Curtis, which then formed part of New South Wales, brought large numbers of immigrants from the other Australian colonies and though many of these were afterwards lost not a few remained. A certain number settled down in the neighbourhood of Rockhampton, more went to Sydney to swell the ranks of unemployed, who were becoming somewhat numerous, and remained about that city until the discovery of gold at the Snowy River drew them away. In 1861 the discovery of the precious metal in New Zealand led to a very considerable emigration from New South Wales, and the attractions of the new colony were sufficiently great to retain as settlers many persons who had been for several years practically nomads flitting from one Australian colony to another, on the rumour of gold discoveries.

VICTORIA

In Victoria, at the beginning of the period, the methods used for promoting immigration were precisely the same as those in force in New South Wales, the new colony having taken over the administration existing at the time of its separation. The work in England was entrusted to the Land and Emigration Commissioners, who selected farm-servants and shepherds, a limited number of artisans, chiefly belonging to the building trades, and female domestic servants; to these what were practically free passages were granted. A second class comprised persons, nominated in Melbourne, towards the cost of whose passage remittances were sent by employers or friends. Only a portion of the passage-money was required to be remitted

in these cases, the Government bearing the rest of the expense, but immigrants obtained in this way were required to be persons of the same classes as those eligible for selection by the Commissioners. The third class were those who were nominated by persons who had deposited money for the purchase of land. Under this system persons who intended to buy land could deposit money at a Land office and receive land deposit notes which could be used at a land sale; they obtained at the same time the right to nominate immigrants, the cost of whose passage would not exceed 80 per cent of the money thus deposited. During 1851 large numbers of persons were nominated by holders of deposit receipts, but this mode of assisting immigration was discontinued at the close of that year. It was found that a large proportion of those who purchased land adopted the deposit method, even though they had no intention of importing labour. They usually sold their land deposit receipts to persons engaged in the immigration business, who were glad to pay a price for them almost equal to what they would have had to pay to introduce immigrants under the remittance system, while the advantage was also obtained of being able to nominate persons other than those conforming to the requirements of the Emigration Commissioners. The business was fraudulent, but it was difficult to stop it, and in the end the Government decided to withdraw the privilege of nominating immigrants given by the land deposit regulations. At the same time the remittance regulations were altered so as to lessen the cost of obtaining labour by that means. The scale of remittances adopted in 1852 was:

				Male.	Female.
1 to 14 years	.	.	.	£4	£2
14 .. 45	..	.	.	8	4
45 .. 60	..	.	.	12	6

The rates of payment for female immigrants were made very low, as the colony stood greatly in need of an addition

to its women-folk, and as regards male immigrants the restrictions as to their occupations were relaxed, so that practically all persons of the labouring classes were eligible to receive assistance.

At the beginning of 1852 the colony was in great straits for labour, and as it was thought that single men who came as immigrants would at once seek the gold-fields, very few were granted assisted passages, and those only who belonged to a family, which contained at least an equal number of females. The restriction upon the size of immigrants' families was also removed, and, in general, it was made as easy as possible for families of the labouring class to reach the colony. During 1852 the assisted immigrants who arrived in Victoria numbered 15,477 as compared with 2551 in the previous year, but the effect on the labour market was not what the chief supporters of the immigration policy had looked for. In January 1853 a committee appointed by the Legislative Council reported that immigration had done nothing to reduce wages, and that many of the immigrants were unsuited by their occupations to colonial life. They recommended that assisted immigration should be confined to young single women, married mechanics, and married farm-labourers, and they urged a return to the "bounty" system which had been in vogue in earlier years. To the first suggestion the British Government readily agreed, but would not give its consent to a revival of the bounty system. The land revenue of this period was very large, and, as a moiety of that revenue was allocated to immigration, the funds at the disposal of the Emigration Commissioners in London were very considerable. The fact that the Commissioners had the expenditure of this money, without being directly under the control of the colony, rendered them constant objects of suspicion. The Commissioners did their utmost to meet the wishes of the colonists, as to the class and number of the persons they sent out, and the reports of the Melbourne immigration agents, who were colonial officers absolutely free from

English control, showed that the immigrants were as a rule well chosen, and adapted in age, occupation, and physique to the requirements of the colony ; nevertheless the work of the Commissioners was the subject of persistent attack. A few incompetent servant girls, an immigrant above the prescribed age, a few persons of bad character, among the thousands who were despatched, were enough to cause the Commissioners to be branded as inefficient, careless spendthrifts, anxious only to relieve the poor rates of the Mother Country. It is not surprising, therefore, that when, in 1856, the colony entered upon responsible government and the control of its land revenue, an immediate change in the principles on which immigration was conducted was introduced. As regards the land revenue, it was decided that the amount made available for immigration purposes should no longer be a fixed proportion of the annual revenue, but that it should depend upon an annual vote of Parliament. Before further pursuing the question of the attitude adopted by Victoria towards assisted immigration, after the colony had been granted responsible government, it will be necessary to follow the course of non-assisted immigration during the years 1851-56, as one of the principal causes of the stoppage of assisted immigration was the development that occurred in connexion with unassisted traffic.

During 1851 and 1852 the Society of which Sidney Herbert was the founder was sending out to Victoria, as well as to New South Wales, females of the class described as "distressed needlewomen." As a rule these women were found to be quite unfitted for colonial life, and their immigration was neither an advantage to themselves nor to the country to which they came ; after a considerable number had arrived, this fact was realized, and the sending out of this class of persons ceased. The work of the Family Loan and Colonization Society, organized by Mrs. Chisholm, has already been referred to. This Society was of a semi-philanthropic character, and aimed chiefly at securing the union of families, some members of which

had already emigrated to Australia. According to Mrs. Chisholm's plan, immigrants were required to pay in advance two-thirds of their passage-money, and the Society advanced the rest as a loan. Mrs. Chisholm, who had already had considerable experience in New South Wales, took up the colonization of Victoria with great vigour after the gold discoveries. She went to many of the large towns in the United Kingdom, giving the most practical advice to intending emigrants, and making arrangements for their voyage. Captain Chisholm remained in Melbourne. He received the immigrants on their arrival, and when they needed it assisted them to obtain employment. The Society was helped by the Victorian Government, which made a grant of £10,000 towards its funds on two occasions, as did that of New South Wales. In both colonies Mrs. Chisholm's immigrants were regarded with favour. They were as a rule useful persons of the labouring class, who had paid a great portion of their passage-money themselves. The Highland and Island Society also contributed a few immigrants to the colony, with as little success as to New South Wales.

The vast majority of the voluntary immigrants to Victoria stood, however, quite apart from the efforts of any charitable society. Many of them were of the working class, and in parts of Great Britain emigration clubs were formed, to make emigration possible for men whose own savings were not sufficient for the purpose. The members of these clubs paid weekly subscriptions to a common fund, which was allowed to accumulate until it reached a sufficient amount, when lots were drawn, and the successful persons shared the money which enabled them to emigrate. Working men, especially miners, in Great Britain were very eager to emigrate during 1852 and 1853. The lead-mining villages of Derbyshire were depleted, and the industry was all but lost in consequence. Cornwall and Somerset also sent large numbers of skilled miners to Victoria.

In 1851, 12,882 unassisted immigrants reached Melbourne by sea, and of these 9029 arrived during the last six months.

At first this immigration came chiefly from the other Australian colonies, for out of the 9029 just referred to Tasmania contributed 3721, South Australia 2528, and New South Wales 950—a total of 7199. The numbers who went by land from New South Wales and South Australia were greater still, though no record of them was made. During the first six months of 1852 the arrivals by sea from Tasmania were 9368, from New South Wales 5343, and from South Australia 8835.

The exact extent of inter-colonial migration during the period is difficult to estimate. There was a continual circulation of population between the different colonies. The tide of population flowed to one place or another as conditions varied, and numbers came and went between the diggings of Victoria and their homes in the other colonies. The extent of this immigration and emigration by sea alone during the first few years is shown by the following figures :

	Immigrants to Victoria from Australian colonies.	Emigrants from Victoria to Australian colonies.
1852 . . .	48,253	30,161
1853 . . .	35,834	38,355
1854 . . .	26,900	28,493
1855 . . .	21,763	18,588

The decline in the number of inter-colonial immigrants in 1854 was very marked, especially in the latter half of the year, when the total barely exceeded 10,000, and for the whole year there was an excess of departures from Victoria as there was in the previous year.

In compiling the New South Wales census of 1856 Registrar-General Rolleston estimated that the colony lost to Victoria by overland emigration during the years 1851–56 about 35,000 persons, but it is clear that he miscalculated, losing sight of the facts that the births exceeded the deaths, and that the migration overland from South Australia to Victoria was probably as great as that from New South Wales. From the South Australian frontier there was comparatively easy access to the gold

diggings at Mount Alexander, and early in 1852 a good road was made from Adelaide thither, along which the Government escort brought gold; there existed also a regular overland trade between South Australia and the gold-field diggings. The Victorian census taken on 1st April 1854 showed 21,179 persons in excess of the population accounted for by the recorded migration by sea. Deducting 3200 for the excess of births over deaths, the overland migration to Victoria may be set down at about 18,000 during the three years. It would be fair to assume that before April 1854 about 9000 persons from each of the two colonies entered Victoria by the overland route, in excess of those who returned in that way. But it would be wrong to suppose that immigration was continued at the same rate during the following years. In the middle of 1854 depression appeared in Victoria, and this continued till the end of 1855. The check which this gave to inter-colonial migration by sea is shown clearly in the figures given previously. For the double intercensal period, 1851–1857, the total increase in the population of Victoria unaccounted for by the natural increase and the recorded immigration was 42,000, but the returns of immigrants did not include the Chinese, who numbered 25,000, so that the overland migration for the six years was about 17,000. As the gain from this source between 1851 and 1854 was 18,000, it is evident that after 1854 the number of persons who entered Victoria by the overland routes was rather less than of those who left it in the same manner.

The great movement of population from Europe to Victoria began early in 1852, in August 6552 unassisted immigrants landed at Port Phillip, and in September 15,855; the influx continued throughout 1853 and 1854, slackening off somewhat in 1855. If the migration returns are to be believed, the actual numbers of incomers, exclusive of assisted immigrants, were :

[TABLE

			From other parts of Australia.	From Europe or elsewhere.
1852	.	.	48,253	30,934
1853	.	.	35,834	41,900
1854	.	.	26,900	40,192
1855	.	.	21,763	35,562

According to these figures the largest yearly total of unassisted European immigrants was 41,900 in 1853, and, adding the 16,318 assisted immigrants, the total arrivals from Europe numbered 58,218. The total immigration from all parts was greatest in 1852, when the immigrants by sea numbered 94,664 persons.

This does not give the idea of an overwhelming flood, as pictured by contemporary writers, but it must be remembered that it was poured into a small town, with no rapid or easy means of communication with the gold-fields. During 1852, according to the returns, the population of Victoria was doubled, and it would be safe to assume that the officials failed to get a complete return of immigration. Indeed, there can be no doubt at all on the point, for the immigration agents whose business it was to obtain a return of passengers inward, confessed that before 1854 they could not obtain any statement regarding the number of passengers carried by foreign vessels; it is equally certain that this was true also of many British ships, and therefore the influx was greater than would appear from the returns. The majority of the immigrants came from the British Isles, but there was a considerable foreign element among them. A large proportion of them were of the most desirable type. They included men of almost every class; the professions were represented in large numbers, so also were building mechanics and other skilled artisans. It cannot, however, be denied that not a few of the unassisted immigrants were persons whose presence in the colony was quite unwelcome. Amongst them were criminals from every country, and persons who, though not actually criminal, were morally and physically unequal to the hardships they had to encounter. Some immigrants became speedily a burden upon the colony, and in 1854 a

tax of 5s. per head was levied upon all immigrants, and was employed in relieving the destitute who belonged to that class.

The assisted immigrants were provided for by the Government until they obtained employment, which was usually only a matter of a few days; beyond this there was no provision to deal with destitute immigrants. Labour was so scarce and was remunerated so amply, that it was not difficult, during the first twelve months of the rush, for a man to earn, on the day of his arrival, what would pay for his food and lodging; but afterwards, though there was no slackening of the demand for labour, and money was easily earned, it became very difficult for a stranger to secure lodging of any kind in Melbourne, so great was the demand and so limited the accommodation. The condition of the newly arrived immigrants became a grave scandal, and, on an appeal being made to the charitable, a sum was obtained which, supplemented by a grant from the Government, enabled an asylum to be erected for homeless immigrants. But one such home was insufficient, and, public feeling being aroused, there were soon (March 1853) five shelters available in Melbourne for the accommodation of immigrants. These included the South Yarra Public Homeless Immigrants Home, which was the name of that first erected, two establishments belonging to the Government at Prince's Bridge and Batman's Hill, the Wesleyan Immigrants Home, and that belonging to the Family Loan and Colonization Society. In all except the last mentioned some payment was asked for the protection afforded, usually about 1s. per night. The Homes provided for about 1420 persons and served their purpose very well. The extensive building which went on in Melbourne during 1853 increased the house accommodation to such an extent that the immigrants' shelters were not much needed after the first great rush was over. Meanwhile thousands of people made their way from Melbourne to the gold-fields, in coaches, on horseback, in waggons or drays, on foot. The accommodation for travellers along the road was very

inadequate, and many wayfarers suffered great hardships on their journey to the diggings. To meet the wants of these people, shelters were erected on the roads to the gold-fields. These shelters, which were due to the exertions of Mrs. Chisholm, were of the roughest description, built of wood, and provided with the barest necessities; nevertheless they were of great value, offering as they did cheap and cleanly shelter to families who were trudging to the gold-fields.

The accounts which reached England, of the distress in Melbourne in 1854 and 1855, led to a considerable contraction in the emigration to Victoria, but when the distress had subsided the number again increased, and the total European immigration for 1857 was certainly 60,000, and probably was much higher. Whatever the exact number may have been, it was in excess of the absorbing capacity of the colony, and there was some distress in Melbourne from unemployment during the year 1857. There was already a strong objection, on the part of a considerable section of the community, to the granting of assistance from the public funds to any form of immigration, and these occasional periods of unemployment and consequent distress strengthened the objections. But the body of opinion against assisted immigration was not yet strong enough to bring the system to an end.

Reference has already been made to a movement in the direction of taking the control of the business in London out of the hands of the Land and Emigration Commissioners, with a view to the appointment of a local man. The Legislative Council passed a series of resolutions, dealing with the subject and in support of the idea of sending an immigration agent to England from Melbourne, but, a change of Government happening at the time, nothing further was done. The lessening of the control of the Commissioners was, however, accomplished by a change in the remittance regulations, which practically withdrew the selection of the immigrants from the Commissioners. Under the new regulations persons resident in the colony

could obtain "bounty tickets" for their nominees on the payment of £4 for each person between the ages of 12 and 40 years, in the case of men and married women, and between 12 and 35 years in the case of single women; for persons between 35 or 40 years and 50 years the charge was to be £8. The bounty tickets could be used on the Commissioners' ships or on other vessels and, on the production of them in the colony, the depositors received £12 for every immigrant between 12 and 50 years of age. As the new regulations naturally abolished selection, the number of immigrants immediately showed a large increase, and the whole fund voted for assisted immigration in 1857 was speedily used up. It is difficult to imagine what other result could have been expected; nevertheless the Government grew uneasy, and before the close of 1857 further regulations were published, raising the remittance required for men below 40 years to £9, and for persons over 40 and under 50 years to £15; the rate for women below 35 years was allowed to stand at £4, but for those over that age and under 50 years, £18 was demanded.

It will be observed that after responsible government, there was considerable uncertainty in the policy of the colony in regard to assisted immigration; this, no doubt, was due largely to the frequent changes of Government, but after 1857 it is clear that the strong opposition to any form of assisted immigration, exhibited by a large section of the community, affected the policy of every Government that took office. In 1858 only a small sum was granted for immigration purposes, and only 5859 assisted immigrants arrived; in the following year the remittance regulations were suspended altogether, assistance only being granted to single women. Meanwhile there had been a great decline in the number of unassisted immigrants. The gold rush properly so called virtually ended in 1858, and the people who came to the colony after that year were affected by other considerations than the search for gold. The colony was, however, not in a position to retain all those who had arrived during previous years, and

emigration was increasing. In 1858 the rush to Port Curtis carried off from Victoria, according to Sir Henry Barkly's estimate, ten or twelve thousand diggers; many of these speedily returned to Melbourne, but about six thousand, perhaps more, remained in Sydney or in the vicinity of Port Curtis. Some eight or ten thousand men went overland to the Snowy River in New South Wales, where payable gold was found in 1859, and the overcrowded condition of the Victorian gold-fields was further relieved in 1861, when large numbers of men left for New Zealand, where extensive discoveries of gold had been made. Apart, however, from the "rushes" which carried off large bodies of men at one time, there was a steady emigration from the colony during the whole period.

There was a marked tendency, especially in the early years of the gold period, for the population to regard the colony, not as a permanent home but as a place to be exploited and abandoned. Many persons returned to the colony whence they had originally come, and some five thousand returned each year to England. Nevertheless the bulk of the incomers were not blind to the attractiveness of their new home, and at the census of 1861 Victoria was found to contain a population of 500,000 souls, and was therefore, in point of population, the first of the Australian colonies.

During the whole period the Government of Victoria had constantly before it the heavy task of keeping out undesirable immigrants. Of these the most formidable were the convicts and ex-convicts of Van Diemen's Land, who from the very beginning of the gold discoveries flocked to Melbourne and the gold-diggings, and were not only a source of great expense, but a grave menace to the social condition of the colony. The legislature therefore framed an Act for the detention of criminals "illegally at large," which gave power to the authorities to deal with such persons with the greatest severity. The Act was so drawn that any person could be arrested on suspicion, and the onus was laid upon him of proving that he was not illegally

at large. It was also drawn in such a way that in the opinion of the English Colonial Office it was open to the administration to treat persons holding "conditional pardons" as if such pardons were inoperative, though the legal authorities in Victoria did not interpret it thus. The Act was reserved by the Governor for the Queen's consent, and was disallowed in England on account of the provisions just referred to, especially the latter, which was regarded as a grave breach of the Crown's prerogative of mercy. But the colonists were determined to exclude, as far as lay in their power, the convict element from their country, and when the disallowance was made known the legislature passed an Act still more stringent. In the circumstances Latrobe thought it better not to proclaim the disallowance of the earlier Act, and Sir Charles Hotham, who arrived in the colony with full instructions as to the course he was to follow, soon discovered that it was hopeless to attempt to compromise with the colonists. He therefore gave his assent to the later Bill, and this anti-convict legislation, in spite of remonstrance from England, remained in force.

Another serious difficulty arose with regard to foreign immigration. The gold discoveries soon brought many immigrants direct from German ports, and the conditions under which the immigrants were carried were most unsatisfactory. In 1853 the Legislative Council passed an Act to regulate this class of immigration. It aimed at securing proper food and cleanly quarters for the immigrants during their voyage, and in fact it applied to foreign immigrant ships the provisions of the English Passenger Act of 1852. The Act was disallowed in England, however, as it was considered to be beyond the power of the colony to legislate for foreign vessels on the high seas. The ships carrying immigrants from Bremen continued to arrive overcrowded and insanitary, the passengers on their landing complaining of bad food, dirt, and ill-treatment, but the Colonial Government could give them no redress and matters so remained. The only remedy open to the colonists was to place the ships on their arrival in quaran-

tine, but this was a step the Government was not then prepared to take, though it was a matter seriously considered.

Amongst the immigrants to Victoria were Chinese from Hong Kong and other southern ports of the Empire. They began to arrive in fairly large numbers in 1853, and in 1857 it was found that they numbered 25,370. Various measures were taken to prevent a further influx of Chinese, who were made the subject of very drastic legislation. This important matter is the subject of special discussion elsewhere in this volume.

SOUTH AUSTRALIA

The policy of introducing into South Australia persons of suitable age and occupation at the expense of the land fund was proceeding satisfactorily, when the discovery of gold in New South Wales and Victoria was announced. There was naturally a scramble on the part of the most restless of the population to get early to the gold-fields. The news of the discoveries in New South Wales reached Adelaide towards the end of June 1851 and of those in Victoria towards the end of July ; nevertheless Sir Henry Young was able to report to Lord Grey in the middle of November 1851 that there was " no appearance of any inconvenient number of our really useful, that is, labouring classes, betaking themselves to the diggings. Of four vessels that for some days past have been advertised at low rates of passage-money for Melbourne, not one has yet been filled. In the south-eastern district whence the route overland is easy, and where in general it is difficult to retain labourers, I learn that there is no disturbance of the usual amount of labour, and on the whole we have as yet lost only such persons as for the most part we could well spare." He advised that assisted immigration at the rate of two ships a month should be continued. During 1850 and 1851 there had been some unemployment in South Australia, and the immediate effect of the gold discoveries was to

relieve the market of superfluous labour, much to the satisfaction of the Government. During the September quarter of 1851, 691 adult males left by sea for Sydney or Melbourne; in the following three months 2554 adult males left Port Adelaide by sea, of whom 1741 sailed for Melbourne, and there was a still larger emigration by land. It was evident that these departures were the forerunners of many more, and that it would be unwise for the Province to continue its policy of immigration, when it was most likely the persons who were brought out would not remain, but take the first opportunity of going to Victoria. In a despatch sent to England on 9th January 1852, the Governor advised that only one ship-load of assisted immigrants should be sent each month. In South Australia, as elsewhere, it was thought that immigrants nominated by persons in the colony would be more likely to remain than those who came out on their own motion, and it was decided to encourage the nomination system and let that of selection fall into abeyance, while the rush to the gold-fields continued.

The privilege granted to persons who purchased land, to have orders in blank for the nomination of persons in England for a free passage to the Province, was found to have been greatly abused, as it was in Victoria. When the concession was first granted, the idea was that purchasers of land would require labourers, and if they were unable to get them in the colony, it would be desirable to encourage them to import suitable men from England. In practice it was found that the nomination orders given to land purchasers were not used by them, but sold to dealers, who in turn sold them at considerable profit in England to persons who wished to emigrate to South Australia. In order to encourage a genuine system of nominations, and to check the abuse of selling land-order nominations, fresh regulations were issued early in 1852, and it was ordered that purchasers of Crown lands might, at the time of paying the purchase-money, nominate three statute adults for each sum of £80 paid, provided that such persons

were, in all respects, eligible for free passages under the regulations of the Land and Emigration Commissioners. Persons settled in South Australia could also obtain passages, for their friends and relatives, in the Commissioners' ships, provided these persons were suitable in character, even if not eligible under the Commissioners' rules, by depositing the following sums with the Colonial Treasurer :

	Under 40 years.	Between 40 and 50 years.	Above 50 years.
	£	£	£
Agricultural labourers, shepherds, miners, female domestic servants, and farm servants and their families	4	6	12
Other classes	8	8	12

As the actual cost of sending out immigrants at the time was slightly more than £13 : 10s. per head, the concessions to persons under 50 years of age were fairly substantial.

Although the immigrants arriving in 1852 were practically all related to persons in the Province, they were just as ready to depart for the gold-fields as any other class, and in order to retain future arrivals the South Australian Government considered whether it might not be well to adopt the New South Wales scheme of indentured service. Inquiry having been made in New South Wales as to the working of this system, the Legislative Council of South Australia came to the conclusion that " it is not yet established by any sufficient experience that loans on account of passage-money are likely to be repaid, or are capable of being enforced in a Province like this, conterminous with other Colonies, easy of access by sea and land, having the powerful attractions of gold-fields." The Emigration Commissioners in England, however, took the step of binding the emigrants they despatched to remain four years in the colony, on pain of refunding some portion of their passage-money, but the precaution was found to

have no practical value. The immigration agent in Adelaide was only able to enforce the penalty in a single case, and the attempt was discontinued. The importance of filling the places of those who had deserted South Australia for Victoria seemed so urgent that the Government considered very carefully a proposal for subsidizing Mrs. Chisholm's Family Colonization scheme, as had been done in Victoria and New South Wales. The matter was discussed by the Legislative Council, which ultimately decided that persons of the class sent by Mrs. Chisholm were already arriving in sufficient numbers without assistance from the public funds, and so the proposal was not proceeded with.

During the first quarter of 1852 the emigration from South Australia continued unabated, both by sea and land, and it was estimated that, by April 1852, at least 16,000 persons had left the Province. Nearly all these people were men of the labouring class in the prime of life, and their loss had a very serious effect upon all the industries of the Province. The population of South Australia was at its lowest about March 1852, when it probably numbered no more than 45,000 persons, of whom 30,000 were females. But the worst was soon over, and during the rest of 1852, though emigration still continued, it was balanced to a great extent by immigration. Many of the men who returned brought back considerable winnings from the gold-fields, which they invested in South Australia, much to the advantage of the Province, the financial condition of which improved so rapidly that in September 1852 Sir Henry Young was able to ask the Emigration Commissioners to renew the assisted immigration of persons selected by that body, and to send out two ships a month.

The demand for accommodation on vessels trading with Australia greatly increased the cost of chartering vessels for immigration purposes, and the cost per immigrant in Commissioners' ships rose in 1853 to £18 : 11 : 2 as compared with £13 : 10s. in 1851, and £13 : 12 : 8 in 1852. In consequence of this greatly increased cost the South

Australian Government issued fresh regulations as to nominated passages, both under the land-purchase and the deposit systems. The nominations in virtue of land purchase were limited to two statute adults for every £80 of purchase-money, and the nominees were required also to make certain payments. Adults under 45 years of age paid £1 or £2 according to their occupation, those from 40 to 50 years £5 or £6, and those from 50 to 60. £11 to £14. Under the other nomination system the following payments were required :

	Under 45 years. £	45 to 50 years. £	50 to 60 years. £
Agricultural and pastoral labourers, miners, female servants, and their families	4	6	15
Other emigrants and their families	8	8	15
Wives of emigrants then in the colony	10	10	15

During 1853 there was a great demand for labour, and the question of encouraging immigration from other countries than the United Kingdom was very seriously discussed. Germany, India, and China were the places towards which the colonists turned their thoughts. A small but steady stream of immigration from Germany had been directed to South Australia during 1852 and previous years, without the help of Government funds. This was quickened by the gold discoveries; 335 immigrants reached the colony from Hamburg during 1853, and 1076 in the following year. Many of these were brought out by settlers at their own charge, in the expectation that the immigrants so assisted would pay back their passage-money. In this expectation the settlers were disappointed, as very few of the immigrants made any attempt at repayment; but as a whole the German immigrants proved very satisfactory, and the Government expressed its desire that some portion of the immigration fund might be devoted to bringing out Germans. This wish was not complied

with, although at the time the fund at the disposal of the Emigration Commissioners in England was so large that they found a difficulty in expending it all in securing and despatching immigrants. As regards Chinese and Indian labour, no serious attempt was made to introduce either class, as the Government recognized that, apart from the general objections to the importation of coloured labour, the Imperial authorities would not permit public funds to be spent for the purpose.

During 1853 the recorded immigration to South Australia reached a total of 20,128 persons, of whom 7173 came direct from the United Kingdom, and 12,284 from other colonies, mainly of course from Victoria. The emigration during the year amounted to 11,648 persons, of whom 11,212 went to Victoria or other Australasian colonies. On the year, therefore, there was an important gain of population to South Australia. These figures deal only with sea migration, but in all likelihood the movement by land was also in favour of the Province.

The official statistics of the Province show the population during the critical years of the gold period to have been :

1850	.	.	63,700	|	1852	.	.	68,663
1851	.	.	66,538	|	1853	.	.	78,944

If these figures be accepted and compared with the statements of births and deaths and of the movement of population, there would appear to have been a net loss of population overland of 1387 in 1851, of 3868 in 1852, and a gain of 302 in 1853. These results do not accord with the contemporary accounts of the overland rushes to Victoria, and as will presently appear may be safely rejected. There was no record of the movement of population borderwise, and the attempt to count the population leaving by sea was a failure. Only at Port Adelaide was there any efficient attempt at enumeration, and there, it was commonly reported, outgoing vessels bound for Victoria were so overloaded with passengers that their captains habitually made false returns. Again, the returns

of births and deaths in the country districts were very unreliable, as many of the officials whose duty it was to make these returns had left the service.

Between the censuses of 1851 and 1855 the population of South Australia increased by 22,120, but the excess of immigration and of births over deaths was about 36,870 during the same period, so that the number of unrecorded departures in excess of unrecorded arrivals was apparently 14,750. It is clear from the accounts of the time that the greatest losses by overland migration took place before the close of 1852, and that, after that date, there was a steady and unrecorded gain overland from Victoria. Putting this gain at 5000 it may be assumed that South Australia lost 19,750 persons overland to Victoria during 1851 and 1852, and gained 5000 in the two following years. If these assumptions be true, as seems very probable, then the population of the Province towards the end of 1852 was reduced to about 54,000, that is to say, 14,000 below the official estimate for that year, and it is also probable that in March 1852 the population did not exceed 45,000. There was, however, a quick recovery. At the first out-rush of the people to Victoria, the authorities in Adelaide were bewildered, but it was soon recognized that though a loss of population was inevitable, at the same time it was most likely to be temporary only, and the wisest course was to recognize this and get what advantage might be possible out of the geographical situation of the Province and the easy access from Adelaide to the more important gold-fields. Following out this principle, an escort was organized and a portion of the gold won at Ballarat and Mount Alexander was brought to Adelaide. But this was only a small matter. The principal gain of the Province from the discoveries was that many of those who left South Australia in 1851 and 1852 returned with their gains and applied themselves to farming. During 1854 the tendency of migration towards the colony became more pronounced, 17,258 arrived, of whom 8824 were assisted immigrants, and only 5467 persons left the Pro-

vince. This decided check to the outward movement of population was due, of course, to the depressed condition of Victoria in the latter half of the year. During 1853 the South Australian Government was financially in a strong position, and ample funds were remitted to England with instructions to the Emigration Commissioners to use the money in procuring suitable immigrants. Agreeably with these instructions large numbers of persons were assisted to emigrate, but early in 1855 it was evident that more immigrants were coming in than the Province could absorb, and it was alleged that a class of persons were being sent who were not suited to the conditions of the country. This complaint, in regard to the quality of the immigrants sent out by the Commissioners, was usually made in the Australian colonies when the conditions of trade took an unfavourable turn, and, in the case of South Australia, meant no more than that a few wasters and failures were amongst the thousands who arrived.

The domestic servant class was one to which the Emigration Commissioners devoted much attention, but in 1855 there were complaints that the demand for domestics had disappeared, owing to the depressed condition of South Australia as well as of the other colonies. The Commissioners, who found it very difficult to get well-trained servants to emigrate in any large numbers, had resorted to Ireland, whence they were able to obtain strong, healthy young women willing to work, but not trained as servants. Indeed, few of the Irish girls who were then brought out had any acquaintance with the duties of domestic service, and many of them had never lived in an ordinary house. The preponderance of this unskilled element amongst women intended for domestic service was marked as early as 1854.

In 1853, 2634 female immigrants arrived in Adelaide; in 1854 the number was 5215, and many of these were single women untrained to any occupation; while in 1855 the number of immigrant women reaching South Australia was 7357. According to the census of 1855, the total

number of female domestics in South Australia was little over 4000, while in 1861 the number was still short of 5000; it is therefore obvious that it was beyond the capacity of the colony to absorb so many women as were arriving in 1854 and 1855. The natural consequence of this excessive immigration was that the better-trained women were taken into service, while large numbers of the young girls remained on the hands of the Government. By June 1855, 520 young women were being supported in this way, and at the end of September the number reached 1100. The Government was compelled to build a house to receive them in Adelaide, as the ordinary immigrant shelters were quite inadequate for their accommodation. Depôts were also hurriedly fitted up in the country districts, and small parties of girls were drafted to them in the hope that they might find service more readily in the country, where a rougher class of servant was more acceptable than in Adelaide. Instructions were sent to England to stop any further immigration of the kind, and gradually the number of young women dependent on the Government declined, but the task of dispersing them was difficult and costly, and it was necessary to insist that the girls should accept any suitable offers of work, even if at first they were to receive no money wages whatever.

There was difficulty also during 1855 in disposing of the men immigrants. During the year 1853, 1949 Commissioners' immigrants arrived in Adelaide, and 3609 in the following year. These men were readily absorbed in the general population. During 1855 a still larger number (4514) arrived, and had the Province been in as prosperous a condition as in the two preceding years all these newcomers might have found employment, but 1855 was a bad year both for trade and agriculture, and the Government was compelled to open relief-works for those who were not hired by private employers. At the end of August 761 men were dependent upon the Government for support, most of them being newly arrived. The cost of relieving and maintaining immigrants during 1855 was

about £25,000, and the people of South Australia were very indignant that so large a number should have been despatched during a year of depression, and they were all the more vexed because so many of the immigrants were reputed to be of very indifferent quality and unsuitable to Australian conditions. The matter led to a very long and acrimonious correspondence between Sir Richard MacDonnell, the new Governor, who had arrived in June 1855, and the Colonial Office. Each side was inclined to lay the whole blame upon the other. The Commissioners argued that they were justified in increasing the immigration by the very urgent requests for increased supplies of labour which they had received early in 1854, and that the quality was as good as they could secure. The South Australian Government contended that the bad harvest at the end of 1854 must have been known to the Commissioners, and that the great objection was to the quality and not to the number of the immigrants. The quarrel lasted for more than a year, and had a decided effect upon the subsequent immigration policy of South Australia. In February 1856 MacDonnell sent instructions to the Commissioners to send out no more immigrants, except such as were nominated from the colony. The depression was then practically over, trade was reviving, and agriculture once more in a thriving condition, and there were no longer any recent arrivals dependent upon the Government. The Legislative Council took the view that the time was opportune for the renewal of immigration, and the Governor gave way to its opinion, so that in March 1856 the Commissioners were asked to resume the despatch of emigrants, "to consist of carefully selected agricultural labourers, farm servants, shepherds and miners, to the extent of one vessel a month."

At the close of 1853 the Commissioners altered slightly the scale of contributions demanded from certain emigrants, making the scale uniform for all the Australian colonies to which they were sending people. The contributions required of agricultural labourers and journeymen black-

smiths, bricklayers, carpenters, and other useful mechanics were fixed at £1 per head for men under 45 years of age, £5 for men between 45 and 50, and £11 for men between 50 and 60. The wives of such immigrants and children under 14 years of age paid as before, but single women under 35 years of age were only required to make a payment of 10s. During 1856 and 1857 the Commissioners continued to send out immigrants under these rules, and also to send out the nominees of the colonists under the land purchase and deposit systems.

The change made in 1852, in regard to nominations under the land deposit regulations, was reported by the immigration agent at Adelaide to have failed in its purpose. The holders of these nomination certificates did not use them to bring out qualified agriculturists or station hands, but openly sold them, usually at 10s. each, and in the end the certificates were used to bring out ordinary persons, whose cases it was intended should be met by the deposit system. Considering that it cost only 10s. to bring out a man possessed of a land certificate, and £4 to £15 for one with an ordinary nomination, it is not surprising that hardly more than one in a hundred emigrants paid the higher rates; the remainder in some way or other secured a land deposit nomination. In order to put an end to this abuse, new regulations were framed under which nominations by right of land purchase were abolished, and for the right to nominate immigrants of the most eligible class, agricultural and pastoral labourers, miners and female domestics under 40 years of age, a deposit of £5 had to be paid: for other classes also the rates were increased.

According to the letter of the regulations, nominees under the land purchase system were required to be in every way eligible under the Commissioners' rules, but the Commissioners did not enforce strictly what they deemed their less important regulations (as to age, for example), believing that in this they consulted the wishes of the colonists. The result of this laxity was that many

elderly persons were accepted for immigration, on the nomination of their daughters, who were single women employed in service. These women found no difficulty in obtaining cheap nominations for their parents, but when the latter arrived their nominators were quite unable to make provision for them, and in a large number of cases the Government was obliged to maintain them, either on their first arrival or very soon afterwards.

During 1856 and 1857 the question of allowing matters affecting immigration to remain under the control of the Emigration Commissioners was debated in South Australia. The relations between the governing authorities and the Commissioners had been severely strained, but the colonists felt that the Commissioners' experience, in matters relating to shipping and to the actual despatch of emigrants, was too valuable to be neglected altogether. The objection to the manner in which the Commissioners conducted their business was based entirely on their choice of emigrants. The Government fully appreciated the excellent way in which the health and comfort of the passengers on the Commissioners' ships were attended to, and when in November 1857 it was decided to appoint an agent of the South Australian Government in London, whose duty it would be to select the emigrants, the task of sending them out to Adelaide was left with the Commissioners. It was not till the close of 1858, however, that the agent actually took up his duties. The arrangement gave great satisfaction in South Australia, where the immigrants were considered to be very well selected, but they were much less numerous than in the earlier years of the period, as the sum available for immigration purposes had been greatly curtailed. Up to the year 1857 a moiety of the land revenue was appropriated to immigration, but, by the provisions of the Land Act of that year, the revenue from public lands was merged in the general revenue, and any money for immigration purposes had to be voted specifically.

The feeling in favour of immigration was mainly amongst

the employer class; the wage-earners, as in the other colonies, were of opinion that the revenues of the country could be more advantageously employed than upon State-aided immigration; and the "Political Association," formed in the middle of 1859, enunciated as one of its most important principles that "the time has now arrived when immigration at the public expense should cease." In 1860 no money was appropriated for immigration, but in 1861 Parliament decided that assisted immigration should be renewed, and funds were provided for the purpose; this decision was made too late to affect the work of the year, however, and the few immigrants who arrived, twenty-one in number, had been nominated in a preceding year. The history of the resumption of immigration belongs to the next period.

Immigration societies of a charitable kind received less encouragement in South Australia during this period than in other Australian colonies. The Highland and Island Society had sent out people from time to time, and in 1853 the Government of the Province made a grant of £3000 to the Society. The experience of South Australia in regard to these immigrants appears to have been different from that of New South Wales and Victoria. They were very favourably received by the members of the local St. Andrew's Society, which had no difficulty in placing them in employment: the number of these immigrants, however, was not large.

The following is the official record of the assisted emigrants from the United Kingdom who arrived at Adelaide during the eleven years of the fourth period:

Year.	Assisted immigrants.	Year.	Assisted immigrants.
1851 . .	3,670	1857 . .	3,965
1852 . .	5,279	1858 . .	3,553
1853 . .	4,583	1859 . .	2,011
1854 . .	8,824	1860 . .	972
1855 . .	11,871	1861 . .	21
1856 . .	4,177		

TASMANIA

At the beginning of the period there was little free immigration into Tasmania from the United Kingdom. Very few persons of the labouring class came to the country at their own expense, and the Colonial Government had no money to spare to assist in their introduction, nor could they have readily found employment had they arrived. From time to time the English Government sent out the free female relatives of convicts, whose term of servitude was over and who were recommended for this indulgence by the Governor; but the number of such persons was few, and in any circumstances they rarely entered the general labour market, for they were the wives or children of men already settled in the colony, who were usually in a position to provide for them.

The urgent necessity to increase the number of women in the colony, and the fact that graver objections were felt to employing convict women than convict men as servants, caused some demand for free women immigrants, in spite of the superfluous number of convict women at the hiring depots. Representations to this effect were made in England, and Sidney Herbert's committee sent out a ship-load of women, who arrived at Hobart towards the close of 1851, where they obtained employment without difficulty. Before they arrived, however, the gold discoveries had produced a decided effect upon the labour market. Even in July 1851 Denison wrote that there was great excitement among all classes of the population, which was greatly intensified when the further and more important discoveries in Victoria were made. On the first announcement of the finding of gold a number of labourers had quitted Tasmania, and by September 1851 the stream of departures began to attract public attention. In this month, 67 men left for Sydney, and 220 for Melbourne; in October, 28 went to Sydney and 1023 to Melbourne; in November the number of men who left for Victoria fell to 333, but it rose in December to 1021,

emigration to the New South Wales gold-fields having by that time practically ceased. The loss of 2700 able-bodied men, with the prospect of many others following, immediately aroused much apprehension in the minds of the governing authorities, and fears were expressed that there would not be enough labour to gather in the harvest. A scheme was mooted for providing the colony with German labourers, the cost of their introduction to be met out of a fund to be subscribed by the employers of labour. The scheme, however, was not proceeded with at that time.

It cannot be denied that the outlook of the employers of labour in Tasmania, towards the close of 1851 and during the opening months of the following year, seemed gloomy enough. The exodus of labourers continued with increasing volume, and from March 1851 to the end of August 1852 21,236 persons had fled to the mainland. It is true that 14,859 persons are recorded as having arrived during the same period, but while the emigrants were in almost all cases free adult males, many of the incomers were convicts and women. It is estimated that amongst the 14,859 persons arriving in Tasmania, during the period just referred to, there were 8100 free adult males, so that the loss to the colony was between 12,000 and 13,000 free adult males, which represents a reduction of nearly 33 per cent of the whole adult population, including the bond. The reduction in working efficiency, as Sir William Denison points out, was much greater than the figures would indicate; because, of the freemen who had entered the colony, a large proportion had returned from the gold-fields without any intention of resuming the industrial occupations in which they had been formerly engaged. The Governor estimated that the actual reduction of male labour available was about 50 per cent. He computed the number of adult males in Van Diemen's Land in October 1852 as 21,118, some 20,954 free adult men having left the colony during the preceding twelve months. In these circumstances it is not surprising that the employing

class began to consider by what means an increased supply of labour could be procured.

A committee had been appointed by the Legislative Council early in 1852 to take evidence and to report on the best means of assisting immigration. This committee made its report in June of the same year. Denison's personal opinion was that the introduction of free labour could do little good, as the attractions of Victoria were too overwhelming for Tasmania to contend successfully against them, and the colony could not afford to pay for the passages of immigrants who would leave it very shortly. The British Parliament had voted £30,000 to be expended in sending out free immigrants to any colony which received convicts, and Denison strongly urged on the Colonial Office the justice of expending this grant in sending out free immigrants to Tasmania. The British Government recognized the claim, and from November 1852 to June 1853, 1300 immigrant women were sent out to Tasmania at the expense of the grant. It was then exhausted, and the Government regarded itself as exonerated from the obligation to send out more immigrants on the same terms, as the colony had then ceased to receive convicts. At first the immigrants sent out in this way were very welcome and obtained situations easily, but the later arrivals met with little favour. They were mainly young untrained girls from the Irish workhouses, overflowing at the time owing to the distressed condition of the country. The British Government felt justified in thus aiding the Poor Law authorities while they redeemed their pledge to the colony, although the result was not satisfactory.

In the meantime the report of the Committee of the Legislative Council as to the best method of assisting immigration had been well received by the public, and had been adopted by the Council. The idea of the committee was that male assisted immigrants should be bound by contract to serve their employer for a certain number of years. They would have advocated a simple system of immigration under indentures, but they feared that it

would not be permitted by the emigration authorities in England, and they consequently advised a mixed system. The male labourers were to be bound by indentures, and they were to be introduced through the employers who wished for their services. The latter were to apply to the immigration agents at Hobart or Launceston, depositing £3 : 15s. for each immigrant required, and giving a promissory note for a further £3 : 15s. payable on the immigrant's arrival. The agent was then to issue a certificate which the employer could send to England, either directly to an immigrant whom he had chosen, or to a third person who would act as his agent in selecting a suitable immigrant. The certificate entitled the chosen immigrant to a passage on the Land and Emigration Commissioners' ships, or, if the employer preferred to bring him by some other ship, it bound the Colonial Government to bear the cost, up to a certain fixed amount, so far as it was not covered by the £7 : 10s. already paid by the employer. Before embarkation the immigrant was to be required to sign a promissory note for £7 : 10s., which he could redeem by service at the rate of £2 : 10s. per annum. He was further to agree to serve for the three years at a fixed rate of wages and to bind himself to repay to his employer £2 : 10s. for each year he had not served, if he broke his contract. This scheme resembled very much the one which had been disallowed about ten years earlier by the Land and Emigration Commissioners, and lest it should meet the same fate the Council suggested that the funds required should be provided out of the general revenue of the colony, and not out of the land revenue. The Council recognized that it would be unwise to introduce men only, so they supplemented their proposal by suggesting that single women should be sent by the Land and Emigration Commissioners, in the same way as they were sent to other Australian colonies, and the cost of their conveyance should be charged to the land revenue. It was also suggested that the cost of sending out the wives and families of the men coming under indentures should be met, partly out of the

general revenues of the colony and partly out of the land revenue. The funds at the disposal of the colony were inconsiderable, and the Committee of the Legislative Council dealing with the matter suggested that £50,000, to be borrowed for the purpose, should be used for immigration; of this sum £12,500 should be spent in bringing out the wives and families of men who were already in the colony, and the rest of the money expended on other classes of immigrants, of whom perhaps two or three thousand might thus be introduced. Governor Denison approved of the scheme, but refused to sanction the borrowing of the money required, until the matter had been submitted to the Colonial Office. In the colony the idea of a renewal of free immigration was received favourably, and, without waiting for the decision of the Colonial Office, the local government began the preliminary work of accepting deposits, so that by September 1853 employers had made nearly eight hundred deposits, representing as many immigrants.

Meanwhile the need for labour had increased greatly. The outflow of population to Victoria had slackened a little towards the close of 1852, but was as strong as ever during 1853. It is true that for the whole of the last-mentioned year 13,452 persons were recorded as entering Tasmania, and 12,684 as having left the island, but these numbers are not comparable. The arrivals included many convicts, as well as females and children, while the departures were nearly all of free adult males. It is easy, therefore, to understand that the supply of labour was shorter than it had been even in the preceding year, and as transportation had now practically ceased and there was a great increase in industrial undertakings under the stimulus of the Victorian market, the demand for labour was greater than ever.

Employers gladly availed themselves of any opportunity of obtaining labouring immigrants from the United Kingdom. One ship was sent out by the Highland and Island Society, and all those on board who would take service were engaged at once. The Government voted

£3000 in aid of the funds of the Society, and the idea was suggested of establishing an emigration officer permanently on the west coast of Scotland, in order that Tasmania might secure a constant flow of labour from that source. This plan was not, however, carried out; probably it would have been of little use, as a later ship-load of immigrants, coming under the auspices of the same Society, which arrived when labour was less in demand, met with a very different reception, the immigrants being denounced as too dirty and uncouth to be employed.

In June 1853 reports were current that immigrants were arriving in Victoria in numbers too great to be absorbed by that colony, and it was thought that some of these people might be induced to transfer themselves to Tasmania. An emigration agent was accordingly appointed in Melbourne, who was empowered to select labourers for any employer in Tasmania who asked him to do so. Employers were expected to contribute towards the cost of introducing these people to the extent of 20s. in the case of a man, and 10s. of a woman; the rest of the passage-money, which amounted to about £3:15s., as well as the expenses of the agent, being paid by the Tasmanian Government. It was at first proposed to bind the immigrant to serve his employer for a certain period at a stated wage, but this was soon found to be quite impracticable. Labourers would not leave Melbourne on such terms, and, as the need was very great, the idea of binding them was abandoned, and it was arranged that the Government should continue to pay a portion of the passage-money of persons who declared themselves willing to accept employment in Tasmania.

Under this scheme of assisted immigration, some 1500 persons crossed over from Victoria to Tasmania during the latter half of 1853 and the first nine months of 1854, but the majority of them were not desirable colonists. They were men who were too idle or too weak to bear the strain of life in Victoria, and large numbers were found quite unfit for manual labour. In October 1854 the

Government withdrew its assistance, the immigration agent at Hobart reporting that the persons who received it were "generally inferior, frequently filthy, and often unwilling to take service."

Meanwhile, in September 1853, a despatch from the Duke of Newcastle was received, informing the Governor that the scheme of assisted immigration from the United Kingdom could not be sanctioned. The British Land and Emigration Commissioners objected to the indenturing of labourers to employers whom they had never seen, and on terms of wages fixed before the immigrants could be aware of the rates current in the colony. They objected strongly also to the selection of the immigrants being taken out of their hands, while they were still obliged to carry them on their ships, if asked to do so. They further pointed out that the cost of sending out the wives and children of the immigrants had been provided for most inadequately, and that the result would be to encourage the wholesale desertion of families by the use of public money. The Commissioners suggested that the scheme should be given up, and the one in vogue in New South Wales adopted in its place. It was thought that the chance of retaining an immigrant was equally good whichever of the two systems was adopted, while the New South Wales system so far favoured the immigrant, that it did not bind him to any particular employer until he reached the colony, and left him free to negotiate his own wages.

This refusal to adopt their scheme, so carefully elaborated, was a great blow to the Tasmanian authorities, the more so as the Emigration Commissioners had made no attempt to send out emigrants of any sort. The Legislative Council could not avoid complying with the wishes of the Commissioners, so far as immigration at the cost of the land fund was concerned, but in acceding to the suggestion of the Commissioners Denison wrote in October 1853: "Should any difficulty arise as to the working of the scheme, should emigrants not be found willing to repay the

amount charged against them, in fact, should any circumstances whatever tend to check the stream of immigration which it is essential should be turned towards this Colony, I trust that the peculiar position in which we are placed will induce your Grace to direct the Land and Emigration Commissioners to act upon the expressed wish of the Council, and to expend the whole amount of the money forwarded in a manner which may afford the greatest amount of relief in the shortest time."

In regard to the monies within its own control, that is to say, from the general revenues of the colony, the Council determined that the expenditure should be according to its own ideas, and it set to work to elaborate another system of bounty immigration which, while free from the defects pointed to by the Commissioners, would have some of the special advantages the Council wished to secure. Under it mechanics, labourers, and domestic servants were to be introduced into Tasmania from any part of Europe. The payment required from an employer was £3 for a single immigrant and £5 for a family. For these sums bounty tickets were to be issued to any persons who applied for them, provided that such persons were employers of labour and had made a declaration of their intention of employing the immigrants so introduced; bounty tickets were also obtainable by relatives of the proposed immigrants who were of the labouring class. On its part the Government agreed to pay the passages of all bounty immigrants as soon as they arrived in the colony, the cost of passages being according to a fixed scale. The immigrants were to bind themselves to remain four years in Tasmania, or to repay one quarter of their passage-money for each year which they failed to stay. A further development of the scheme was the issue of bounty tickets in blank to agents, immigration committees, and charitable associations.

In April 1854 the Legislative Council voted £50,000 from the general revenues of the colony to carry out the scheme of bounty immigration; at the same time immigra-

tion was to proceed under the direction of the British Land and Emigration Commissioners until their funds were exhausted, when it was the desire of the Tasmanian authorities that the bounty system should supersede all other forms of immigration. From March to August 1854 the Commissioners sent to Tasmania 1891 persons, when they ceased operations, alleging that, as no law had been passed in Tasmania to make binding upon immigrants the contracts into which they had entered in England, *i.e.* for the repayment of monies advanced to them for the payment of their passages to the colony, it was useless to continue the work. Upon receipt of this intimation the Legislative Council passed a law to meet the case, but even then, as in New South Wales, the scheme was found to be inoperative. As it happened, when the Land and Emigration Commissioners' immigrants began to arrive, employment had slackened and wages had begun to fall. The immigrants would not accept employment at wages that were less than they were led to expect would be obtainable, and employers would not advance the passage-money of unwilling servants who might be expected to break their engagement when an opportunity offered itself. Many of the immigrants, therefore, remained for weeks on the hands of the Government in the immigration depots, while the bounty immigrants who began to arrive about the same time found employment readily enough. The Governor was obliged to issue a notice that employers could obtain immigrants, brought out under the New South Wales system, on payment of £3 or £5, as in the case of bounty immigrants, and they were thus slowly dispersed from the depots. When the Land and Emigration Commissioners ceased sending persons to Tasmania under the so-called "New South Wales System," they had about £5000 in hand belonging to the Land Fund. This they used in sending out two or three hundred immigrants upon the terms current in Victoria and South Australia, the immigrants paying a very small sum towards the cost of passage, and not binding themselves to repay the remainder.

In England strong objections were raised to the revised bounty scheme of the Tasmanian Government by the Emigration Commissioners, who wished to have a uniform system of immigration to all the Australian colonies, irrespective of local opinion and local requirements. A long and bitter correspondence on the subject was carried on during 1854-55. The Tasmanian Government, however, stood firm to its own ideas, and both Denison and his successor, Young, supported the bounty system as being better adapted to the needs of the colony than the plan favoured by the Commissioners. The change to responsible government in 1856 deprived the Colonial Office of any voice in the management of emigration to Tasmania, and the views of that Office ceased to be of any importance to the colonial Government. In March 1856 the funds available for immigration gave out, and assisted immigration to Tasmania ceased for a time, but the Government remained firmly convinced that its policy was best suited to the requirements of the colony.

The chief point which told in favour of bounty immigration in the eyes of the Tasmanians was, that under it a larger proportion of single men could be obtained than the Land and Emigration Commissioners would have sent. This was officially denied, but in any case employers were very unwilling to engage married men with families. Under the system of bond labour they had long been accustomed to a supply of men only, and the housing accommodation, especially in the country districts, was not adapted for married labourers. Single women were naturally in demand, for they were much wanted as domestic servants, but the bounty system could not be relied upon to supply a sufficient number of them, as there were very few employers willing to incur the expense of bringing out women who, after a few months' service, were likely to leave their employ for the purpose of being married.

The foreign immigrants who came out under the bounty system were drawn chiefly from Germany. That such immigrants could be obtained in large numbers is shown

from the fact that, in the latter half of 1855, 858 bounty immigrants reached Tasmania from the Continent of Europe. The experiment was not altogether successful. The immigration agent reported that the German immigrants were not always physically fit, and, in many cases, their families were larger than it was convenient for the employers to accommodate; and as there were very few German settlers in Tasmania, the difference of language and habits was found to be a real difficulty, to the ready absorption of these newcomers in the general population. After 1855 no special effort was made to recruit German or other foreign immigrants, and very few arrived in the colony.

Early in 1856 it became necessary for the Government to withdraw its offers of bounties, as the funds at its disposal had been exhausted. There was still considerable enthusiasm for immigration, but it was obvious that the colony could not introduce any large numbers of persons at the expense of its current revenue, and the Legislative Council passed an Act appointing a Board of Immigration Commissioners, who were authorized to expend £200,000 on immigration, and to raise that sum by the sale of debentures chargeable upon the general revenue of the colony. This money was obtained and expended upon bounty immigration during the three years 1856, 1857, and 1858. Some slight changes were made in the conditions under which the bounty would be given, the most important of which was the stoppage of the issue of tickets in blank. It was found that these tickets were often obtained by persons who had no intention of taking employment when they reached Tasmania, and the aim of the Legislative Council in promoting immigration, that is, to bring out only immigrants who would work for wages, was so far defeated.

In March 1858 the funds at the disposal of the Local Board of Immigration were again exhausted, and for a time the payment of the bounty ceased. During 1859 a small sum was made available for immigration; this was applied to the introduction of single women for domestic service for whom there was always a demand.

The accommodation for assisted immigrants on their voyage to Tasmania was during the earlier years of this period very faulty. In 1856 the Tasmanian Government, at the instance of the English Colonial Office, passed a Shipping Act which embodied the regulations of the English Passenger Act, by which many improvements were made in the sleeping and sanitary arrangements of the ships and in the quality of the food supplied.

Notwithstanding the efforts of the Government to induce people to go to Tasmania, there were only three years, 1853, 1855, and 1857, when the number of persons arriving in the colony materially exceeded the departures. All through the period men were easily drawn away by the rumour of gold discoveries, and after the first few years those who left the island rarely returned to it. Towards the close of the period the conditions of trade were unsatisfactory, there was a general absence of prosperity, and, as important gold discoveries had been made in New Zealand, a large number of men quitted Tasmania for the new fields, leaving their families in many cases unprovided for. The habit of family desertion was painfully frequent during the period, not in Tasmania alone, but in every part of Australia.

The following figures, showing the movement of population inwards and outwards during the period, will illustrate the peculiar position of the colony :

Year.	Immigrants.		Emigrants.
	Total.	Assisted.	
1851 . .	3,930		7,463
1852 . .	12,632	1,901	21,920
1853 . .	14,997	..	12,684
1854 . .	9,525	4,172	11,280
1855 . .	10,887	5,471	7,055
1856 . .	4,956	1,049	7,636
1857 . .	6,063	2,512	5,231
1858 . .	4,003	479	4,496
1859 . .	2,975	715	2,921
1860 . .	3,432	616	3,114
1861 . .	3,684	354	4,861

The number of ordinary immigrants during the period

was 59,815, and of assisted immigrants 17,269, together making a total of 77,084; there were also 6205 convicts brought to the colony, so that the gross total of the incomers was 83,289 as against 88,661 emigrants. During the period the population advanced from 69,187 to 90,211, and there was a considerable approach towards the equalization of the numbers of the sexes. At the close of 1851 the population comprised 43,631 males and 25,556 females; in 1861 the males numbered 49,593 and the females 40,384. This result was brought about not so much by any preponderance of female immigration, as by the abandonment of the colony by so many adult males. The large number of ex-convicts who left the island and did not return was a welcome relief to the whole community, nevertheless the markedly convict derivation of the labouring class was still noticeable as late as 1861.

WESTERN AUSTRALIA

The revenues of Western Australia were insufficient to allow any portion of them to be devoted to immigration, and there would not have been any assisted immigration to the colony, were it not for the arrangement made with the British Government that it would send out as many free persons as it sent convicts. Besides these two classes, persons assisted by the British Government and convicts, there were hardly any other immigrants to the colony during the period; the number of persons who arrived in Western Australia at their own expense from 1850 to 1860 was 839, and of these 276 only were steerage passengers, and therefore presumably of the working class.

The free immigrants sent out by the British Government were of three different classes: sappers and miners, military pensioners, and ordinary mechanics and farm hands. The sappers and miners were asked for by the Colonial Government to aid and direct the work of opening up and developing the country; there were, as might be supposed, comparatively few of them, and, with their families, they only

numbered 303 persons. The military pensioners were sent as guards on the convict ships, and continued to perform some slight military duties after their arrival in the colony. These men usually engaged in industrial occupations, though a few were made gaolers, and they were given small cottages and plots of ground by the Government. The whole number of the pensioners and their families, from 1850 to 1860, was 913. The other assisted immigrants numbered 3385 and were of no particular class, all descriptions of workers, mechanics, farm hands, general labourers, and persons without trades being represented amongst them.

The first consignment of free assisted immigrants, comprising 246 persons, set out from England towards the close of 1850. When they arrived in Perth they proved somewhat of an embarrassment to the Governor, as there was no demand whatever for their services. Two months after their arrival in the colony Captain Fitzgerald wrote : " I confess I was not prepared for this importation ; and when I inform your Lordship that the pensioners are still occupying, from want of employment, the only building we could rent, I acknowledge myself at a loss how even to house these immigrants, much less to support them in the absence of any demand for their labour, at least until harvest time, a period of two months." As a result of this report no industrial immigrants were sent to Western Australia for more than a year, but an attempt was made to induce single women to emigrate. This met with little success, as there was naturally great difficulty in finding suitable women willing to go so far, except in the company of their own relatives. Meanwhile the gold discoveries drew away a portion of the labouring population, and even before that the opening up of copper mines and the renewed activity of the colony, due largely to Government expenditure, had improved the labour market. A request for mechanics and farm servants having been sent to England, two ships with free immigrants were despatched, reaching Western Australia in the second half of 1852. The first

batch of these immigrants, numbering 121 persons, found employment readily enough ; the second ship brought out 163 persons, but only the mechanics obtained speedy employment, the farm servants and labourers remaining for some time on the hands of the Government.

In October 1852 another ship with 221 free immigrants sailed for Western Australia ; amongst them were 90 Irish orphan girls. In November 229 more immigrants were despatched. The carpenters, those agricultural labourers who had not large families, and some of the young women obtained employment easily enough, but the rest of the immigrants, comprising the greater number, met with great difficulty in getting work of any kind. The Governor wrote to the Colonial Office to explain the position, and point out that "in consequence of the large number of ticket-of-leave men in the employ of the settlers, any immigration beyond two or three ship-loads a year would involve much misery and disappointment, as the free immigrants with families could not compete with convicts who had none."

The Emigration Commissioners, however, had made arrangements for other shipments, which they did not care to alter, and in June 1853 another vessel, carrying 320 free immigrants, arrived at Perth ; none of these could obtain employment direct from the ship, and practically the whole contingent were provided for at the Government depôt. As will be seen from the Governor's letter, the sending out of the immigrants was contrary to the advice of the local authorities, and in view of the inability of the immigrants arriving in June 1853 to find work, the immigration agent at Perth made a strong recommendation that free immigration, of the kind then being carried on, should entirely cease. According to the agent the demand for labour was amply supplied by the ticket-of-leave holders and military pensioners, and the rate of wages was not high enough to support the large families of six or seven children which some of the free immigrants brought with them. This report had a very perturbing

effect upon the officials in England who were responsible for sending out these immigrants. They had already despatched a ship, which arrived in September 1853 with 326 on board, and later on two ships, one carrying 241 and the other 400 free immigrants, were sent, as arrangements had already been made for their departure. These ships were the last that were despatched for several years. The mechanics and labourers who came to Western Australia at this time could not be said to have improved their position by immigrating; their lot in some respects being considerably worse than it would have been had they remained in England. Of this fact the Emigration Commissioners were at last convinced. After the lapse of three years the Governor (Kennedy), in response to an inquiry from England, was able to report that the colony could probably, absorb 100 young women as domestic servants, and that there was an opening for carpenters and similar useful mechanics.

Immigration on a small scale was revived in 1856, and from that date to the end of the period small numbers of domestics and mechanics were brought to Western Australia, a sufficient interval being allowed to elapse between the shipments to permit of their proper absorption. Convicts were also sent out, the aim of the British Government being that the number of each class, convicts and free immigrants, the last named including the pensioners, should be approximately equal.

Throughout the whole period there was emigration from Western Australia, chiefly to Melbourne. The loss of population would have been much greater had there been readier means of escape. Departure overland was quite impossible, a wilderness, or worse, of nearly 1500 miles lay between Perth and the nearest settlements to the eastward, and communication by sea was rare and the carrying capacity of the ships very restricted. It is estimated that the loss of population during the ten years was about three thousand, and more than half of these were freed convicts.

V

LAND LEGISLATION AND SETTLEMENT

WHEN the Orders-in-Council of 1847 were published, it was supposed that a final settlement of the land question had at last been reached. But the settlement had been arranged in England and was greatly disapproved by the majority of persons in Australia not directly interested in pastoral pursuits, who felt that the vital interests of the colony had been sacrificed to placate a small, albeit rich, minority. But the Colonial Office having sanctioned the issue of the regulations, and Governor Gipps having quitted office, there was no one strong enough to maintain the popular cause, and no one in the governing circles of the colony who had an idea other than of carrying out to its logical conclusion the intention of the Orders of 1847. There were, however, some very important details to be settled before the full effect of the new law could be obtained. Three of these were of major consequence to the squatters—the settlement of the boundaries of the squat-tages, the issuing of the leases, and the definition of the right retained by the Crown to make reservations, which would curtail the privilege of pre-emption granted by the Orders-in-Council.

As regards the leases, it was originally provided that every pastoral tenant should, as soon as possible, make out, for the use of the Government, descriptions of the boundaries of his run, which should be sufficiently accurate to allow of a lease being drawn up from them. This was by no means an easy task. In many cases the boundaries

were in dispute, and without a proper survey no accurate specification of boundaries could be made. It was ordered, therefore, that, where boundaries were in dispute, the runs affected should be surveyed, the squatter or squatters concerned paying the cost.

After some delay the surveys were begun in New South Wales and moved slowly forward, but in the Port Phillip district, where, as it happened, scarcely a single squatter was able to furnish a proper description of his run, little was done in the way of surveying, and the work of describing the runs remained in abeyance. The squatters, both in New South Wales and in Victoria, felt confident that the delays, which must inevitably occur, would not affect them injuriously, but would rather have the effect of extending the term of their leases, which it was hoped would date from the time of issue and not from the year 1847. In this expectation, however, they were disappointed, but the treatment given to them in New South Wales was more lenient than in Victoria and than the circumstances actually warranted.

NEW SOUTH WALES

The squatters claimed the right to the undisturbed use of the land of which they were in occupation, no matter whether that occupation were real or nominal. On the other hand, great pressure was brought to bear on the Government to afford facilities for settlement, and no settlement could be made so long as the squatters barred the way. Against the squatters the remedy proposed was the making of extensive reserves, by which means it was hoped to provide not only for immediate but for future settlement also. The Orders-in-Council of 1847 authorized the Governor to exclude from the operation of the leases, to be granted to squatters, such lands as he considered were required for public purposes, but the Orders gave no clear instructions as to the nature of these reservations. The intention of the Colonial Office was made clearer by a

despatch received in March 1850, under which the reserves to be made were divided into lands required for towns, suburban areas, and cultivation, and the area of a reserve was fixed at not less than 9 nor more than 25 square miles. Manifestly, if these reserves were properly made, they would comprise the best and most acceptable lands. The squatters, however, contended that the Orders-in-Council were primarily intended to create certain leases in their favour, and that the making of reserves was to be subordinate to this prime object. The matter speedily came up for determination. In September 1850, that is, just before the separation of the Port Phillip district from New South Wales, the holder of the run within which the township of Kyneton, Victoria, was situated, claimed the right of pre-emption for certain reserves suburban to that town. When the matter was referred to the Law Officers of the Crown, an opinion was given that the spirit of the Orders-in-Council, though not their letter, was in favour of the right of pre-emption to the squatter, and the claim in regard to the Kyneton suburban lands was admitted. The effect of this decision, which was accepted in New South Wales, was that the Governor was justified in making reserves for present and pressing public necessities, but was not entitled to make provision for possible future contingencies. This left victory once more in the hands of the squatters, and the Government contented itself with withdrawing from their holdings such lands only as were required for immediate use. An endeavour was also made to obviate certain hardships to pioneering settlers, that a too strict interpretation of the law entailed. The Orders gave the right of pre-emption to the holders of pastoral leases only. There were, however, other occupiers who were not pastoralists but agriculturists, and who, owing to the character of their improvements, had manifestly as good a claim as a squatter to the consideration of the Government. To meet such cases, it was decided to grant leases for one year to the holders of licences for other than pastoral purposes, if application were made

therefor before 25th February 1852, and during the term of his lease the holder had the right of pre-emption over such portion of his land as contained valuable improvements. In a similar way a one-year lease was to be given to pastoralists who occupied land included within town and suburban reserves, in order that they might have a pre-emptive right over such portions as contained their valuable improvements.

In New South Wales, in spite of many difficulties, the work of surveying the runs went on, and though no leases were actually issued until 1854, they were, by an enactment of the Council, dated from January 1852, and in virtue of such leases the squatters acquired the rights contemplated by the Orders of 1847.

The squatters having been made secure in their runs, the Government endeavoured to meet the wants of the ordinary settler, whose inclinations were rather agricultural than pastoral. Under the interpretation of the law accepted by the authorities in Sydney, land could be withdrawn from a lease only if required for immediate use, and the Government, being greatly pressed by intending settlers to find them land, sought to make considerable reserves, with the intention of offering them at auction to satisfy this demand. The question naturally arose as to whether these reserves fell under the condition of being required for immediate use, and there was much acrimonious discussion both in the press and between the squatters and the Government. In order to bring the matter to an issue, the Governor decided to divide the colony into districts and appoint a commissioner for each district, with power to direct the sale of lands therein. It is obvious that the right choice of the Commissioners was very important, but in this Governor Fitzroy showed very little wisdom. There can be hardly any doubt that, in many cases, the Commissioners were personally interested in the disposal of the lands in their districts, and there is a record of a commissioner having actually stopped a land sale, in the district over which he had charge, by declaring his

own pre-emptive right to the land, for which he held a licence. In such circumstances the general public were able to place little confidence in the impartiality of the Land Commissioners. In 1855 a Committee of the Legislative Council was appointed to inquire into the land question, and John Robertson, who played subsequently so prominent a part in dealing with land legislation, gave important evidence and described the difficulties under which the would-be purchaser of land laboured. The long and tedious formalities that had to be gone through, before a portion of land was put up to auction at a Government sale, and the uncertainty of securing it even then against other bidders, were very discouraging, especially to persons of small means. As a rule the squatters set themselves against cultivation, as they did not wish to have farmers in the neighbourhood of their runs, and it frequently happened that, in order to block settlement, they purchased blocks of land over the heads of intending cultivators. There were exceptions, of course, men who, like Robertson himself, were engaged in both pastoral pursuits and farming and saw the unreasonableness of attempting to retain the country exclusively as a grazing ground. But, generally speaking, the squatters took up a position inimical to the creation of small agricultural holdings, and this added to the bitterness, caused by jealousy of their pre-emptive rights, in the minds of the general public. Sir Thomas Mitchell, who also gave evidence before the Committee of the Council, and, from his experience as Surveyor-General, was entitled to speak with authority on the matter, declared that the squatters were as a body a grave impediment to settlement, and that, while they held in their hands nineteen-twentieths of the land in the unsettled districts of the colony, they objected to the Government surveyors making reserves, and such objections were seldom discouraged by the Land Commissioners.

From the very outset of the gold discoveries there was a strong demand for agricultural land, but how little that demand could be gratified may be estimated from the

following figures relating to the sales of Crown lands during the four years 1851-54 :

Year.	Aeres.	Year.	Aeres.
1851 . . .	21,747	1853 . . .	65,870
1852 . . .	25,812	1854 . . .	78,221

A living area was estimated at the time to be 320 acres, and on this basis the area sold during these four years would have admitted of the settlement of 600 persons. In reality the number settled was far less. In the year 1855 many of those who had come to Australia in quest of gold began to turn their attention to agriculture, and a brisk demand arose for land suitable for tillage. The sales effected during that year and the closing years of the period were larger and more numerous than previously, but the inability of the ordinary settler with limited means to establish himself on the land still continued, and public opinion loudly demanded a complete change of policy.

When responsible government was established in 1856, and the power of substituting other legislation for the Land Sales Act and the Orders-in-Council passed to the Parliament then called into being, the position was changed completely; but it was not until the democratisation of the vote made it possible for the people to voice their grievances that an alteration in the land laws was assured. That a change was necessary and inevitable was conceded by all parties, but to what extent a change should be made was hotly debated. The first Ministry under responsible government took office in New South Wales on 6th June 1856, but fell before it could accomplish any beneficial legislation: this was the fate also of the second Ministry. The third or Parker Ministry took office on 3rd October 1856, and on 15th January 1857 a Bill "to regulate the sale of the Waste Lands of New South Wales" was introduced and reached the second reading stage. This Bill pleased no party in the colony. John Robertson, who had entered Parliament on the establishment of responsible government, had in his address to the electors declared in favour of free selection of public lands before

survey, and, when the Bill of the Parker Government was before the Assembly, he took an early opportunity of dealing with the matter and proposed new clauses, providing for "free selection over the public lands of the colony surveyed and unsurveyed." This meant the introduction of a principle entirely novel in the land legislation of the country, and Robertson's amendment was defeated, whereupon he moved that the Bill be considered that day six months. There were provisions in the Bill obnoxious to the grazing interests, and the squatting representatives supported Robertson's motion, which was carried and the Bill was lost. Robertson, however, supported the Government in its proposals to increase the rent of runs, as the grazing leases were called, but this proposal was also defeated. Charles Cowper came into office as Premier, for the second time, on 7th November 1857, and, on the retirement of one of his colleagues, he offered the post of Secretary for Lands and Works to Robertson, who accordingly took office on 13th January 1858. One of the new Minister's first acts was to issue regulations which, amongst other things, provided that all future pastoral leases were to be issued subject to whatever conditions Parliament might impose; the object aimed at being to make certain that, when legislation regarding the conditional sale of lands came to be made, the area leased subsequent to the date of the Robertson regulations (22nd February 1858) would be open to free selection. The Cowper Ministry was instrumental in passing several useful measures, but before being able to give effect to its land policy it was defeated, and surrendered office. The Foster Ministry succeeded. The land policy of the new Government was embodied in a Bill, which proposed to grant the right of selecting land to any applicant, but such selection was to be confined to certain proclaimed areas. The Bill was, however, not proceeded with, as the Government, being defeated in an attempt to make the Legislative Council elective, resigned after holding office for a little over four months.

In the meantime the condition of the working classes had been growing worse. In 1859 there was a good deal of unemployment in Sydney, which led to rioting, and this increased the popularity of the demand for easy access to the land. Cowper not being a member of the Legislative Assembly when the Foster Ministry fell, Robertson was called upon to form a Ministry, and his former chief took office under him. The first business of the new administration was the introduction of a Crown Lands Alienation Bill. The main principle of this measure was "free selection before survey," which was in effect the right of any person to select for purchase a portion of land, in any part of the country, provided such land had not already been granted or sold by the Crown or reserved for special purposes, the area purchasable by any individual being limited to 320 acres. The proposal was bitterly opposed by the squatting party, whose runs, hitherto practically secured by the terms of their lease, were now to be left open to the inroads of others wishing to take up land in small areas. Debates in the Legislative Assembly were long and heated and the Ministry being defeated appealed to the people. The country everywhere supported the Ministry, which in the new Parliament had a commanding majority, and its Lands Bill was passed through the Assembly with little opposition. In the Legislative Council the opponents of "free selection" mustered very strongly, and the verdict of the people was likely to be defeated. In this extremity the Ministry advised Sir John Young to swamp the Council, and the Governor accepted the advice tendered. The proceeding was, however, ill-advised, as the term for which the members of the Council had been appointed was about to expire, and it would be within the power of the Governor, with the advice of the Cabinet, when renewing the Council, to appoint only such persons as were known to be favourable to the land policy, approved of by the people. The Council were deeply affronted at the course contemplated by the Government, and though the new members were actually appointed, they did not take their

seats. Sir William Burton, the President of the Council, at the first meeting after the "swamping," rose and deliberately left the Chamber, followed by the members, so that the new appointees could not be sworn in. The Council did not meet again, and the passage of the Land Bill had perforce to be deferred until a new Council could be formed.

Parliament was prorogued on 11th May 1861, and the Governor and his advisers had to face the very difficult task of forming a new Legislative Council. The appointments to the Council were made with discretion, and the choice of the Governor gave great satisfaction. Parliament was called together on 3rd September 1861, and Bills embodying the agrarian policy of the Government were introduced. These were the Crown Lands Occupation Bill and the Crown Lands Alienation Bill. An attempt was made to defeat the principle of free selection before survey, but it failed, as both Houses were overwhelmingly in favour of the new policy, the two Bills were passed through Parliament, and became law.

The Crown Lands Alienation Act provided that any one might select from 40 to 320 acres of Crown land at a fixed price of £1 per acre, except town and suburban land, which was still to be sold by auction, and land reserved for public purposes. One-quarter of the price was to be paid upon selection, and the remainder could be paid during the next three years, or the payment might be spread over a longer term if 5 per cent interest were paid. The selectors were required to reside upon the land for three years, and to make improvements equal in value to £1 per acre.

The Crown Lands Occupation Act changed completely the tenure under which pastoral lessees held their runs. The colony was divided by it into first and second class settled districts and unsettled districts. In the first-class districts the lands were only to be let on yearly leases at £2 per square mile; in the other districts the leases were for five years, and the rents were to be fixed by the Commissioners.

The merit of originality has been denied by some writers to the Robertson land legislation, and it has been claimed that the Act of 1861 was merely a return to the state of affairs which had existed thirty years before. Thus the system of payment by instalments for selected blocks gave to the purchaser a conditional tenure, resembling that of the grantee upon whose land a quit-rent was payable, which he could redeem. In both cases also the conditions of residence and improvement were attached to the continued holding of the land allotted, and it may be added that, in both cases, the conditions frequently were not fulfilled. Such resemblances as these, however, were merely superficial, and do not conceal the great underlying differences of principle between the two land systems. Before 1831 the distribution of the land rested with the Governor. It rested with him to make a grant or to permit a purchase, subject to control from England and to rules and regulations which he framed from time to time for his own guidance. The system was arbitrary, inasmuch as no man could claim to possess the right of acquiring land in virtue of his citizenship. Nor, when a person was granted permission to purchase land, was there any certainty that the land selected could be obtained, as it still remained with the Governor to give or withhold assent to its purchase. Under the regulations existing before 1831, it was permitted to a would-be purchaser to choose land whether it was surveyed or unsurveyed, but his choice was strictly limited by the restriction of selection to land within the "limits of location." The principle of the Robertson system was that every man had the right to acquire a homestead, and that he might choose it where he would on the Crown lands of the colony; the resumption of land by the Crown during the period of a lease which this involved, when the choice fell upon a portion of a squatter's holding, was entirely different from the resumption of land used for grazing purposes, without any lease, which the earlier system had occasionally involved.

The Robertson land policy was in all probability sug-

gested by the system in force in the United States of America. At the Land Convention held at Melbourne in 1857, several persons, who had long been resident in America, described the system in vogue there, under which any man could settle upon 160 acres of the public waste land, and occupy it without payment until it was "brought into the market." He could then claim a right of pre-emption for this block at $1\frac{1}{2}$ dollar per acre, and could buy it without competition, provided that he could prove by affidavit that he had been in actual occupation of the land for the six months immediately preceding. This power of free selection could be exercised over all waste lands of the State, whether surveyed or not, and the right to graze sheep and cattle over waste lands was conceded to all occupiers, without any payment.

The new principles of land legislation, embodied in the Robertson Land Acts, were in a certain sense due to the development of ideas in a community which, with little success, had tried various other modes of settling the people on the soil; free selection before survey would not have been conceded by the older class of settlers if any less sweeping measure could have been devised. But another important factor was at work. The population brought to the colony by the discovery of gold was a class entirely different from the old settlers, and with it came new ideas. They were men accustomed to roam over the whole territory seeking for the precious metal, and, by a natural process of reasoning, they arrived at the determination that those amongst them, who wished to purchase land from the State, should have the same freedom of selection as was allowed to the gold-digger.

The new agrarian legislation was intended to benefit the men of small means, and its authors talked very confidently about the future yeoman population, who would possess the bulk of the land. It was, however, singularly unsuccessful in promoting the *bona fide* settlement of small farmers, and initiated a struggle between the squatters and the selectors which grew in bitterness and intensity,

while it brought no sufficient compensating benefits to the rest of the community.

VICTORIA

At the time of the separation of the Port Phillip district from New South Wales squatting was the only great industry in the new colony, and there was no other important body in the community, with a solidarity of interests, to balance the claims of the squatters. The only places, where public opinion against the pretensions of the pastoralists was likely to be formed, were Melbourne and Geelong, and these were at the time small towns greatly affected by the wool trade. The inrush of population induced by the gold discoveries soon altered this state of affairs, and the land question became acute in Victoria a few years earlier than in New South Wales.

In 1851 practically all the land in Victoria, which could be made suitable for farming without the expenditure of much time and labour, was already occupied by squatters. In that year 938 squatting licences were issued to about 800 separate persons, and the extent of land covered by these licences was about thirty-one million acres. At the time of writing the total area of land occupied for pastoral and agricultural purposes is little more than thirty-six million acres, so that it may be imagined how difficult was the task of the Government, sixty years ago, to secure any large quantity of land over which a squatter could not claim the right of pre-emption, allowed by the Orders in Council of the year 1847. Latrobe endeavoured to meet the difficulty by making extensive reserves, which he proposed to sell as demand arose: but the sale of such land was of doubtful validity, as the legal advisers of the Crown gave an opinion that the pre-emptive rights of the squatters extended to all land, except town land, within the boundaries of their runs.

The enormous yields obtained from the goldfields put a large number of persons in possession of the means to

acquire land, if such were available, and many of these persons had not only the means, but the strong desire to become landowners. There were small areas in the settled districts open to purchasers, but these lands were little sought after. The interior of the colony had been so opened up by the gold-mining communities that the great demand for land came from the unsettled districts, where the hands of the Government were paralysed. The gold-miners were in need of agricultural produce, yet the lands which surrounded them could not be cultivated—they possessed the means and were eager to buy, but the Government could not sell them land. Meanwhile it was held that the squatters could purchase any portion of their runs, without competition, at a price which, though nominally subject to valuation, was practically the minimum of £1 per acre; and though this right was little exercised its very existence was a source of great irritation to the general community.

The Legislative Council of Victoria from the very first contained men who felt strongly the injustice of the position, and in August 1852 a motion was passed without division “that the Lieutenant-Governor should be prayed to withhold the grant of all lands under pre-emptive right beyond the homesteads, or such quantity of land as might appear proper in each particular case, until the whole subject had been referred home.” Latrobe agreed to this course. He laid the whole matter before the authorities in England in a most lucid and able despatch, and, in the meantime, he expressed publicly his determination to limit the privilege of licensees to purchasing under pre-emption their homestead section or other limited portion of their run; and his intention of proceeding with the formation of reserves wherever they might clearly be required for the advantage of the colony, and of bringing such portions of these to sale as might be necessary without regarding them as subject to pre-emptive right.

Reserves were accordingly made with such rapidity as in the condition of the Survey department was possible,

and the licensees, who desired to purchase portions of their runs, were compelled to submit to the rulings of a Board, which decided the extent of these purchases, and as a rule confined them to one square mile. The appeal to the authorities in England produced, in 1853, an ingenious despatch from the Duke of Newcastle, in which it was pointed out that many clauses of the Orders of 1847 were merely permissive, and that, therefore, the squatters could not claim any of the privileges which had been demanded. Thus, for example, the wording of the Order was that the Governor *might* grant leases for a term *not exceeding* fourteen years to licensees in the unsettled districts. It was argued, therefore, that the right of the squatter to demand a lease might be met by the grant of a lease for one year only. Again, the Governor might not sell any portion of the run to any but the leaseholder during the term of the lease; but it was argued that the Governor was not compelled to sell to the leaseholder, and, by neglecting to sell the land until the expiration of a lease, he could defeat the pre-emptive right of the licensee to purchase. The Duke of Newcastle did not put forward this reading of the Orders as the one which should be adopted in the colony, but he offered it as an instrument by which the Governor could negotiate with the squatters. In New South Wales the authorities dealt very tenderly with the squatting interest, greatly to the detriment of the general settlement; in Victoria the claims of the squatters were not more exorbitant, but the Governor and his advisers were determined to protect the public interests, and as a first step it was made clear that leases would not be issued. Instead of leases the squatters would be given licensees, which would entitle them to occupy their runs for a period of one year, and such licensees would be renewed until the term for which the leases were originally contemplated had expired. In the meantime the pre-emptive rights were kept within limits, and the authorities brought into the market as large a supply of land as possible. The demand for land was very great, and the price rose correspondingly. There was but a limited

supply of land available, and there were many competitors with means sufficient to enable them to pay a high price for the land they desired to obtain.

The sales of land in 1850 amounted to 40,042 acres, and the sum realized was £97,970 ; in 1851 the area sold was 93,707 acres, the greater part being disposed of during the latter half of the year, and in the two following years more than half a million acres were disposed of. The demand for land was very much larger than the area offered, but until 1854 there was a great deficiency of surveyors. The price realized for country lands in these years was £1:14:3 an acre, but the demand was by no means confined to such land. The bidding for town lands was very keen, and as the average price of such land was £328 per acre, it is obvious that some portions must have brought a very high figure.

In 1854 a determined effort was made to increase the extent of the Crown land sales. It was hoped that a display of energy on the part of the Government, in placing settlers on the land, would allay the great dissatisfaction which had become so apparent on the goldfields. During 1854 the Government was able materially to strengthen the Survey department, and 405,679 acres of land were sold for the sum of £1,357,965. The year 1855 was marked by considerable industrial depression, and though the quantity sold was even larger than in the previous year the price was much less, but there was a decided recovery in 1857. The extent of the land sold in 1858 was little more than one-half of that in the preceding year, but this was mainly due to the objections entertained by Gavan Duffy, who was Minister for Lands at the time, to selling land under the conditions then existing.

The amount of land sold in Victoria during each year of the period was as follows :

[TABLE

	Acres.	Price. £
1851 . . .	93,707	201,840
1852 . . .	231,297	671,033
1853 . . .	283,928	1,548,441
1854 . . .	405,679	1,357,965
1855 . . .	438,972	763,554
1856 . . .	437,562	749,318
1857 . . .	500,383	1,067,450
1858 . . .	255,724	638,650
1859 . . .	459,082	814,164
1860 . . .	492,248	663,238
1861 . . .	514,745	623,588

The total amount of land sold to squatters under the pre-emptive right was 319,257 acres, or less than 8 per cent of the total sales during the years above mentioned, while the average price given by them was 20s. 8d. per acre.

In 1854 Hotham appointed a commission to inquire into the land question in Victoria, and on the report which he hoped to obtain from it he thought he should be able to base legislation which would effectually reconcile the ideas of all parties. In spite of the reserve force which the suggestion of the Colonial Office gave him, the Governor had, after much effort, failed to effect a conciliatory settlement with the squatters, who demanded what their confrères in New South Wales had obtained—the complete control of all the land within the bounds of their squattages. Hotham's commissioners were unable to present a unanimous report; their suggestions—that the assessment of the squatters should be much increased and that the survey and sale of land should be carried on with greater activity—did not meet with warm approval from any party, and no attempt was made to legislate in accordance with them.

The existing land system was discussed with great bitterness at the meetings of the unemployed in Melbourne in 1855, where the favourite remedy for the overstocked market was such legislation as would permit the rapid settlement of small holders upon the Crown lands, as tenants, if not as purchasers. The introduction of

responsible government very soon showed the importance of the land question in the minds of the people. At the election of 1856, and even at the beginning of the session of 1857, the question appeared to attract little notice, but after the changes in administration which took place in March and April, the views of the opposing parties became more positive and defined. A Land League was formed and a convention met at Melbourne, to discuss the land question and incidentally bring pressure to bear upon Parliament and the Government. The various governments that held office were willing enough to propose legislation; indeed, between 1857 and 1860 there were frequent attempts to legislate on the land question, and on several occasions land bills passed the Legislative Assembly, to be rejected in the Council. The difficulty lay with the Council whose members, elected under a franchise with a high property qualification, were out of touch with the great body of the population.

In 1860 a Bill was introduced by the Nicholson Ministry to regulate land sales. It divided the unsold and unreserved lands of the colony into two classes, viz. special lands and country lands. Special lands were those which, from their character or their nearness to a town, were regarded as having a special value; all other lands were designated as country lands. The special lands were to be disposed of by auction; the country lands were to be sold at a fixed price, and the minimum of 20s. an acre was maintained. Persons who wished to purchase lands were required to make written application, accompanied by a deposit of £1 per acre. Unsurveyed lands were not open for selection, but it was a vital part of the system proposed by the Bill, that a sufficient quantity of land to meet all demands should be made available; and the Government undertook to put 3,000,000 acres in the market during the first year after the Bill became law. The maximum area of a selection was 320 acres, and only one selection could be made by any person in any one year. The Bill led to a conflict, both bitter and prolonged, between the two

Houses, and in the end the Ministry declared its intention, in case the Bill was not passed, of using the Order in Council, which permitted the granting of leases for one year with pre-emptive rights, in such a way as to enforce in practice the provisions of the Bill. Owing to this resolution and to the firmness and tact of Sir Henry Barkly, the Bill was ultimately accepted.

No attempt was made to deal with the squatting question at this time. It was considered by the Government that the privileges of the squatters, conferred by the Orders in Council, came to an end in 1861, by which date the full term of fourteen years contemplated by these Orders would have elapsed. Against this view the squatters appealed to the Home Government, but the appeal was in vain, as the Colonial Office had not the power, even if it had the will, to maintain their cause.

The treatment of squatters in Victoria and in New South Wales was therefore radically different. Reviewing, some twenty-five years after the event, his connexion with the agrarian legislation of 1861, Sir John Robertson claimed that the squatting interests had been tenderly dealt with in New South Wales, and that every obligation entered into with them by the Government of that colony had been scrupulously fulfilled, whereas in other colonies these obligations had been repudiated. This was far from being the idea entertained in Victoria. It was very well known that the Orders in Council of 1847 were issued in direct opposition to the advice of Governor Gipps and of disinterested officials in Australia, and that they were obtained by the private pressure of interested parties upon the Colonial Office in England. That these Orders, if carried out according to the interpretation put upon them by the squatters, would work great harm to the colonies can hardly be gainsaid, and, as soon as the Port Phillip district was cut off from New South Wales, the rulers of the new colony took the view that while the squatters should have their pound of flesh, they must draw no blood. The Orders in Council were so loosely drawn that, while

on the one hand a favourable interpreter might read into them great concessions to the pastoralists, on the other hand an unfriendly reading might give them nothing at all. The Governor and the officials of the Government in New South Wales were strongly opposed to the extravagant claims of the squatters, so long as those claims were under the consideration of the authorities in England, but, when the Colonial Office had given a decision, they felt bound to give effect to that decision, in the sense in which they believed it was given. Not so, however, the authorities in Victoria. The interpretation placed on the Orders by the squatters and the intention of the Colonial Office were nothing to them. These Orders were subject to the ordinary canons of legal interpretation, and the Victorian authorities were happy to find that a strict interpretation of the Orders enabled them to protect the rights of the people at large, against what they were pleased to call the aggressions of the squatter.

SOUTH AUSTRALIA

The land question in South Australia, at the beginning of the period, presented none of the difficulties which beset the authorities in New South Wales and Victoria. The Imperial Act of 1842 and the Orders in Council of 1847, subject to the modifications which had been made to suit the conditions of the province, met with general approval. The right of pre-emption had not been given to squatters or leaseholders, and there were no important classes ranged together, in opposition to settlement. The Survey department was very efficient, and there was at all times a large extent of land in the market ready surveyed, which had been exposed to auction, and could therefore be sold at a fixed price. Access to the land was therefore easy to all who were willing to pay a reasonable price.

The unsettled conditions of 1851 and 1852 brought down the price of land, but did not make any difference in the area sold; indeed, there was more land sold both in

1851 and 1852 than in any previous year. In 1853 South Australia began to feel the benefit from the inflow of gold from the Victorian goldfields. There was a very strong demand for land, and the sales in the year named reached 213,321 acres ; in 1854 a slightly greater area was disposed of, and there was very little slackening in the demand during the years immediately following.

In 1857 it became necessary for the South Australian Parliament to pass a Waste Lands Act, as the new constitution abrogated the Imperial Land Sales Act, and vested the control of the land revenue in the local government. But the South Australian Parliament was satisfied with the provisions of the imperial legislation, and, beyond repealing the section which set aside one-half the land revenue for immigration purposes, it made no changes of any importance in the manner of alienating land.

The pastoral industry developed with great rapidity during the period. The regulations made under the Imperial Act of 1843 were found to suit the conditions of the Province very well. This view was set forth in an address of the Legislative Council, made to the Governor in 1852, declaring its opinion that it was desirable to leave unaltered the existing regulations "whereby leases for pastoral purposes might be issued for one term of years without competition, and thereafter for a term of years with competition, without impediment in any case to intending purchasers of the said lands at the upset price of £1 per acre, at public auction, either during the currency or after the expiry of any lease executed for pastoral purposes."

The resumption of land for settlement purposes was carried out to a slight extent between 1851 and 1856, the area resumed being 48,000 acres, but a considerable area, somewhat over a million acres, was brought within the hundreds, and so made subject only to sale or yearly leasing.

During the first years of this period, from July 1851 to July 1856, 485 pastoral leases were granted, comprising

24,200 square miles. The first pastoral holdings taken up were naturally within easy reach of Adelaide, but during 1853 the territory lying north of Mount Remarkable at the head of Spencer's Gulf was opened up, and in that year a hundred runs covering 4000 square miles were applied for in the new district. The return of so many successful diggers from Victoria gave a great impetus to pastoral expansion in 1856. The country beyond Mount Serle and on the margins of Lake Torrens had formerly been regarded as hopelessly sterile and incapable of being occupied by stock, but permanent water supplies were found at many places nearly 450 miles from Adelaide, with the result that the greater part of this territory was occupied, and during the last few months of 1856 applications for about 5,000,000 acres of pastoral lands were received.

Meanwhile there was a growing feeling amongst the general public that the pastoralists did not contribute their due proportion to the public revenue, and, in the autumn of 1858, an Act was passed imposing an assessment on stock, with the view of raising the contribution of the squatter, proportionately to that paid by other classes in the community. The highest assessment which could be levied under the Act was at the rate of 2d. per sheep, allowing 240 sheep to the square mile, which therefore enabled the rent of first-class pastoral country to be increased to £2 per square mile, the previous rent being 20s. as a maximum, while for much good land only 10s. had been paid. The Act provided for a revaluation of the land, at the end of the existing lease and thereafter every five years; at each valuation a new rental was to be fixed. By these means it was anticipated that the Province would get the advantage due to any increase of value arising from the spread of population, while the leaseholder would be relieved should the rent payable prove excessive. While the Act was under discussion, a claim was set up on the part of the first lessees under the Orders in Council of 1843, to a total exemption from all taxes during the term of their

leases. While the advisers of the Government were of opinion that this claim could not be legally established, they thought that the run-holders had some ground for supposing that no tax would be imposed on them before their leases expired, and, as a compromise, the legislature therefore provided that the assessment, imposed by the Act of 1858, should be the only one payable by such lessees during the term of their leases. In 1861 there was further legislation in regard to pastoral lands. It was enacted that in future such lands should be assessed according to their situation and grazing capacity: the idea being that the rent should be definitely related to the earning power of the run, and not indirectly related as under the previous Act, which assumed the maximum carrying capacity of a run as one sheep to two and two-thirds acres, irrespective of the actual carrying capacity of the land.

As in the other colonies there was much agrarian legislation in South Australia at this time, Parliament applying itself to the task of protecting the revenue of the Province, while removing obstacles to settlement. Amongst the smaller matters dealt with by Parliament, was a return to the earlier practice of granting run-holders an annual lease, without competition, of any part of their run brought into hundreds. This was done in 1858, by an Act repealing the sections of the Waste Lands Act of the previous year, which had directed that parts of runs, included in hundreds, should be let by auction.

During the year 1858 a most important piece of legislation affecting land transactions was passed through Parliament. This was the Real Property Act. The measure originated with Robert Torrens, who occupied the post of Collector of Customs at Adelaide in 1844, and afterwards became Treasurer and Registrar-General, and represented Adelaide in the first Parliament under responsible government. Under the provisions of the "Torrens' Act," all dealings in real estate were made very simple. A Registrar-General was to be appointed in whose offices the titles to land were to be registered. So far as

concerned grants issued prior to 1st July 1858, it was not made compulsory that these should be registered, but any one possessing such a grant could make application to have it brought under the Act, in which case the title was investigated. All Crown titles after 1st July 1858 were issued under the Act and subject to its provisions. In dealing with applications to bring land under the Act, it was, of course, necessary that the title should be investigated before registration took place, and the Act provided for the manner in which this should be done. Two Land Titles Commissioners were appointed to deal with claims for bringing land under the provisions of the Act. Land which was to be dealt with was divided into two classes : (a) Land which was still in the possession of the original grantee and which had been granted subsequent to 19th October 1842, provided that no sale, mortgage, or other encumbrance transaction had taken place in regard to it. Such land could be brought at once under the Act, provided that the original grant was shown to the Commissioners, and that, on due notice being given, no caveat was entered against the claim of the owner. (b) Land which was no longer in the hands of the original grantee, or upon which encumbrances had been created. This was referred to the Land Titles Commissioners, who were lawyers and who investigated the proof of title in the usual manner. If a caveat were entered against the claim of any holder of land, the case was referred to the ordinary courts for decision, and the proceedings of the Commissioners were suspended. When the Land Titles Commissioners had decided that the title of the holder of land was good, and had consented to register it, a certificate of title was issued which superseded other evidence of title and was indefeasible. If any error were discovered subsequently, the claimant could obtain compensation from the Crown, if unable to secure it from the person who might, by fraud, misrepresentation, or error, have become registered as the proprietor. In order to meet claims under this provision, an Assurance Fund was established,

and persons registering land were required to pay $\frac{1}{4}$ d. per £ on its estimated value, in addition to the small fees for registration. It was provided that all mortgages or encumbrances, upon land which had been registered, should be invalid unless they were registered also, when they were endorsed upon the certificate of title, and so became palpable to every person who inspected it. Any transfer of registered land was accompanied by an entry at the Land Registry Office and the issue of a fresh title.

Torrens, who had dealt for many years with the registration of shipping, sought, in the Act, to apply to land the principles upon which the transfer of interests in shipping were so simply and inexpensively dealt with. His Act constituted a revolution in British land legislation, but it had many points in common with the land systems of America and Prussia, and bore a very close resemblance to that which had been in force for centuries in the Hanse towns. The Act roused considerable opposition from the lawyers in the colony, both before and after it was passed. The Chief Justice went so far as to declare it invalid, as being contrary to the Statute Law of England; but it was not long before its great merits were recognized, and all the other Australasian colonies have adopted the principle. The value of the Act was appreciated in South Australia immediately its provisions were understood, and before two years had elapsed land to the value of £1,500,000 was brought within its operation.

WESTERN AUSTRALIA

During nearly the whole of the period the administration of the lands of Western Australia remained as settled by the regulations of 1843 and 1850. On 16th April 1860 new regulations were issued under which a uniform price of 10s. per acre was affixed to rural land, while town and suburban lands as well as mineral lands were still to be sold by auction, at upset prices to be determined by the Governor; in the case of mineral lands an upset price of 20s. per acre

was fixed. For the purpose of pastoral occupation the waste lands of the colony were divided into two classes. The country assigned to Class A corresponded practically to the "settled districts" of the eastern colonies, and included all lands likely to be required for immediate settlement. For the occupation of any part of these lands yearly licences might be granted. The remaining lands, known as Class B, could be let on leases for a term of years. The regulations as to tillage leases, which had previously been in force, were continued.

The new regulations were in a sense very successful. Within two months after their publication 10,000 acres of rural lands were purchased at the fixed price of 10s. an acre, and much of this land was sold in small lots for occupation to men of the working class, who had but recently occupied the position of hired labourers. In addition 1,914,522 acres of land were let on lease or licence, of which 1,460,422 acres belonged to Class A. The great majority of the occupiers were also persons of small means.

TASMANIA

It was with real concern that the Governor and his advisers saw the great rush of able-bodied men from Tasmania to Victoria on the first discovery of gold, and it was thought that, if the conditions under which land could be obtained were made more easy, the emigration might be greatly reduced, and some of the successful diggers of Victoria might even be enticed to Tasmania. Agreeably with this view the regulations affecting the disposal of Crown lands were changed at the close of 1851, so that it became extremely easy for the man of small means to become a landowner. Under the new regulations land could be leased at £1 per 100 acres, and a person taking a lease was given the right of purchasing one-fifth of the area leased, without competition at £1 per acre, provided when he took up the land he declared his intention of buying it. For land so selected for ultimate purchase,

an additional rent of 30s. per 100 acres was charged, but the actual payment of the purchase money could be deferred for ten years. Any person who declared himself to be a purchaser obtained the right to the "quiet possession" of ten times as much land as he was purchasing, the additional land to be adjoining his original holding. The term of such "quiet possession" was at first fixed at ten years, but was afterwards extended to twenty years. These regulations remained in force for only two years, and during that time 290,000 acres of land were purchased on the credit system, and the "quiet possession" stipulation locked up from public sale 655,000 acres in addition, and a great deal more would have been locked up had it been available. The new land regulations greatly increased the revenue and were of immediate service in supplying funds for immigration purposes, but the policy was bad and its ill effects were visible for many years. This sale and locking up of nearly a million acres, in so small a territory, was a step which could be justified only by the needs of population, but the addition to the population arising from the land transactions of 1852 and 1853 was slight, the ability of the Government to bring suitable land into the market was very much curtailed, and land that might have been used for agriculture was devoted to pasturage.

In 1853, when Van Diemen's Land ceased to be a place to which convicts might be sent, it became *ipso facto* subject to the Imperial Land Sales Act of 1842, which was proclaimed on 25th May 1854. The Act was not long in force, and comparatively little land was sold under its provisions, for, as the Governor said in addressing the Legislative Council in July 1855, "the alienation of the public land has been so extensive that it is no longer easy to find for exposure to public auction an abundance of waste Crown land at low prices, which, were it thus constantly available, would serve without extraneous aid to create an Immigration Fund." With responsible government the control of the Crown lands in Tasmania passed into the hands of

the local parliament, and early in 1858 two Acts were passed, dealing with the sale and occupation of Crown lands.

The Waste Lands Act dealt with the sale of lands and followed very closely the lines of the Imperial Act; it provided for the division of Crown lands into three classes, town, agricultural, and pastoral lands, and for the sale of these by auction, except in certain specified and exceptional cases. The minimum upset price was fixed at 10s. per acre, in the case of land which had never been used for grazing purposes, and at 20s. per acre where the land had been so used; the purchaser also paying the cost of survey and of the grant deed. Payments were to be made as a rule a month after purchase, but where the price exceeded £40 an extended term of payment would be allowed. In the case of town land not paid for within a month after auction, an addition of 10 per cent was made to the purchase money, which was then payable in four yearly instalments. To the price of agricultural land not sold for cash, 20 per cent was added, and the increased price was payable in ten yearly instalments. The rule of sale by auction had two exceptions. Single lots of agricultural or pastoral land, not exceeding 320 acres in area, might be purchased at the fixed price of £1 an acre and without competition; provided such lots were, at the time of selection, neither occupied nor advertised as for sale. The other exception was that land, which had been exposed to auction but not bid for at more than the upset price, could afterwards be selected at that price, or, if it remained unsold for six months, it could be again exposed for auction at a reduced upset price.

The same Act also provided for letting Crown lands by lease for periods up to fourteen years. Where the land had not been previously occupied the rental was not to exceed 10s. for each 100 acres of its area, but where it had been occupied the maximum rental for each 100 acres was put at 20s. per year. Besides these leases for fourteen years, which were designed for grazing, lands could also be occupied on yearly licence, and special licences might be granted for cutting timber.

The other Act referred to dealt with the district about 200 miles long by 30 to 50 miles broad, lying between South West Cape and the Arthur River on the coast, and from South Cape to Surrey Hills. It was provided that within this area the Government might make free grants of from 50 to 640 acres, on condition that the applicants for them possessed a capital of £1 sterling per acre, that they agreed to settle upon and cultivate the land for five years, and in that time to clear and fence it and bring one-tenth of it into cultivation, or to erect buildings upon it of the value of £250 for every fifty acres. Leases for ten years at a peppercorn rent could also be obtained in the same district, of areas not exceeding 10,000 acres, provided that such land was stocked within one year with 100 sheep or 20 head of cattle per thousand acres.

The Waste Lands Act came into force in February 1858, and considerable advantage was taken of its provisions, especially for the purchase of land by means of extended payments. Writing in August 1860 Sir Henry Young reported that "the system of selling land on credit has been in operation for two and a half years. The lands sold on credit engagements were 155,330 acres for £233,238, and have been redeemed to the extent of £153,239, the defaulters (one omission to pay being all that is required) whose purchases amounted to £2,412 : 15s. being little over 1 per cent." The idea of the Act of 1858 was to make small properties more common, and there was on the lips of those who assisted in passing it the usual formula that the operation of the Act would be to create "an industrious yeomanry," but the actual results did not correspond with the expectation. The general tendency was towards the formation of large estates, the yeoman farmer was conspicuously absent, the only small farmers in the colony were tenants, and there was not any large number of these.

The Act for the granting of land on the west coast of the island was in one sense a great success, as in the months of November and December 1858, 1,650,000 acres were taken up on the terms allowed. It was expected

that the land would be developed as pastoral country, and be speedily dotted with homesteads. Those who obtained the grants had no immediate purpose of stocking their land; they bought in anticipation that the district would prove to be auriferous, but very little payable gold was anywhere found, and many of the grants were subsequently abandoned.

VI

INDUSTRIES

THE immediate effect of the gold discoveries on all industries other than mining was harmful. Large numbers of men threw up their ordinary employments and went to the goldfields, most of the others stood ready to leave their work without warning; in many places stations were deserted, farms left uncared for, and factories brought to a standstill. This was the condition during the latter half of 1851 and the greater part of 1852. Towards the close of the last-mentioned year there was a considerable recovery, and thenceforward, to the end of the period, there was a marked advance in the industrial development of every colony.

AGRICULTURAL AND PASTORAL PURSUITS

In New South Wales during 1850 the breadth of tillage was little short of 200,000 acres, which was a more considerable area than had previously been cultivated. In 1852 the area under crop fell back to about 130,000 acres, and great difficulty was experienced in gathering the crops even from this reduced area. The farmers suffered a further drawback as, owing to the demands of the mining population, vehicles of all descriptions were taken away from their ordinary use and employed in carrying stores, timber, machinery, and other material to the goldfields, and in all cases it was difficult, in some well-nigh impossible, for farmers to obtain carriage for their produce to market. In this uncertainty in regard to labour and

carriage, the cultivation of wheat was abandoned in many districts, and the colony had to depend for a great portion of its supplies upon imported grain. The parts of the colony remote from Sydney were naturally the chief sufferers. The New England district at the close of the previous period was advancing rapidly, but with the loss of labour in 1851 and 1852, not only was progress arrested, but a marked deterioration ensued. Promising vineyards were neglected, and the cultivation of tobacco, on which great attention had been bestowed, was abandoned, so that colonial tobacco was no longer procurable.

In New South Wales the first signs of reviving interest in agriculture were shown in 1855. By that year the unsettling effects of the gold discoveries had begun to pass off, and labour was returning to its former channels. Consequent on the increased population of the colony, the demand for all forms of agricultural produce had greatly expanded, and as many of those who came to seek gold, but afterwards turned their attention to agriculture, were farmers or farm labourers, the methods of farming became greatly improved. When Governor Denison first reported to the Secretary of State on the condition of agriculture in the colony, he had perforce to declare that the methods of cultivation in vogue were very slovenly, very little labour-saving machinery being in use. During the next two years there was a very marked change for the better, and his officials reported that "in several districts English and American reaping and threshing machines, corn shellers and various kinds of ploughs on improved principles have been introduced with great advantage in agricultural operations," and during 1857 there was still further improvement in this direction. Agricultural societies, which had dropped out of life during the height of the gold rush, again became prominent, and the extended use of machinery was largely the result of their exhibitions and demonstrations. The returns for 1860 show that an area of 260,798 acres was under cultivation. Wheat, hay, maize, and potatoes were the principal

crops, but the vine, fruit, tobacco, and other more valuable crops requiring greater attention were not neglected. The colony was still divided for administrative purposes into the "settled" and "unsettled" districts, but cultivation was being extended to the latter, and one-fifth of the area returned as under crop was in these districts.

When the first great discoveries of gold were made in Victoria, it seemed likely that, for a time, agriculture would be abandoned altogether in that colony. During the later months of 1851 many farms were absolutely deserted, both masters and servants having rushed off to the goldfields, and it was feared that over a large part of the colony the harvest, which was particularly abundant, would not be gathered. This calamity was avoided, however, mainly because the scarcity of water at the diggings prevented any gold washing being done, so that men were able to leave the goldfields, while waiting for rain, and return to their homes to gather the crops. When the rains came, early in 1852, the farms were again deserted and efficient labour was procurable only with the greatest difficulty, with the consequence that very little land was put under crop; the area would have been still less were it not for the employment of the aborigines, who were at that time fairly numerous. They proved useful servants, though as a rule they were incapable of remaining steadily at work. But though the farmers were able to get their land sown, they had no certainty that they would be able to harvest the grain. In Australia hay is usually made from cereals and not from grass, and the farmers, in 1852 and 1853, found it expedient to cut their wheat and oats for hay, rather than allow the grain to mature. Expediency, in regard to probable labour difficulties, in this instance coincided with the ultimate interests of the farmers, as their hay crops brought enormous prices, whereas the price of grain was low, wheat being imported very freely.

In 1854 there were signs of a great revival of interest in agriculture. Amongst those who were successful at

the first gold rushes, when nuggets were to be had for the picking up, were many persons who, though not trained farmers, were desirous of settling themselves upon the land, and to meet the demand the Government offered large areas divided into convenient-sized blocks. These found immediate sale. How decided was the disposition to settle on the land, in spite of the wonderful deposits of gold still being discovered, may be gathered from the fact that the census taken early in 1854 showed 7599 persons engaged in farming as against 4322 in 1851, a few months before the gold discoveries had been made, and in 1857 the number had risen to 26,838. In 1854 the breadth of land under crop was 54,905 acres, of which 30,000 were cut for hay. The drought conditions at the close of 1854 and in the opening months of 1855 prevented the revived attention bestowed on agriculture producing its full effect; nevertheless, 155,135 acres were cropped in 1855, and 179,983 in 1856. This disposition to turn to agriculture was not a little assisted by the depression of trade in 1854 and 1855, and by the temporary falling off in the gold yield; but the impetus did not expend itself for many years—not indeed until the supply of suitable land was exhausted.

Considering the antecedents of those who settled on the land in Victoria, in 1854 and the years immediately following, and their practical unacquaintance with the work of a farmer, it may well be imagined that there was at first very little scientific farming. Governor Barkly in an official report on the conditions of the colony remarked that “little attention was paid to the proper manuring of the ground or to a rotation of crops; high cultivation was unprofitable, owing to the dearth of labour, but much of the land was virgin soil which yielded well even under these circumstances, and in 1855 the average wheat crop was 30 bushels per acre.” The lack of labour led to the rapid introduction of all kinds of labour-saving machinery, and at the close of 1856 Barkly reported that there were “few countries where implemental husbandry is

more followed, the best English and American machines for mowing, reaping, threshing, and stacking not only being in common use, but others of colonial manufacture, which do their work even more successfully." Agricultural machinery of colonial manufacture was imported from South Australia before 1859, but establishments for making implements were set up in Victoria early in the gold decade, and in 1860 there were twenty manufactories of the kind in the colony.

In 1858 the extent of cultivated land was 237,429 acres, which was the equivalent of one acre to every two persons, and in that year Victoria assumed a leading position as an agricultural colony. The importance of agriculture, thus early in the history of the colony, may be gathered from the fact that, at the census of 1861, 41,218 persons were returned as employed in agriculture, of whom 17,343 were farmers and market-gardeners and relatives who were assisting them, while 23,875 were labourers in their employ. One-third therefore of the whole industrial population was engaged in farming of one kind or another. In 1857 the average produce per acre of the principal crops was: Wheat, 20·7 bushels per acre; oats, 31 bushels; barley, 28·9 bushels; potatoes, 2·4 tons; hay, 1·8 tons.

The cultivation of wheat for grain did not increase in proportion as the total area of cultivation extended. Hay and green crops were found more profitable. Wheat and flour were therefore imported in large quantities, and before the close of the period the agriculturists joined in the demand for protection, which was then being put forward by other industrial workers.

The people who took up land in South Australia were intent on using it, and in 1850 54,728 acres were under crop. During the exciting years that followed statistics of all kinds were neglected, and when in 1856 authentic information was again available, the area in cultivation was found to be 203,423 acres, and five years later it was 486,667 acres. The people of South Australia took

more kindly to farm life than did their neighbours in New South Wales or Victoria, and in 1861 had in cultivation, head for head, four times the cultivated area of either of these colonies. Writing in 1857 of the progress of agriculture in the Province, the Governor, Sir R. MacDonnell, said: "When the youngest of the Australian group of colonies . . . raised nearly as much wheat . . . as New South Wales and Tasmania together, and when to this is added a widely diffused taste for planting and gardening, the general appearance which the country under these circumstances is rapidly assuming is, as might be expected, most remarkable as well as pleasing; remarkable because the rich cultivation, substantial fencing and numerous comfortable cottages which the traveller here sees, not merely near the capital, but distributed over the country to a considerable distance from Adelaide, give such an old-settled and English rural character to the scenery, that it is really difficult to realize how very few years previously the fields which he sees waving with grain, and the gardens filled with vines and trees loaded with the finest fruit, were tenanted only by the wild animals and the almost wilder aborigines of the bush."

In 1861 agriculture gave occupation in South Australia to 18,320 persons, the number of farmers having increased since 1855 from 5321 to 7242, that is to say, by 33 per cent, while the farm servants and labourers had increased even more rapidly, namely, from 5105 to 11,078, or by 116 per cent. During the same period the tilled area was increased from 115,059 acres to 427,241 acres, or by 272 per cent, so that while in 1855 there were 22 acres of cultivated land for each farmer, and 23 acres for each farm servant, in 1861 there were 59 acres to each farmer and 38 acres for each farm servant, showing partly that cultivation was less intensive, and partly also that machinery was already supplanting manual labour on the South Australian farms.

While the cultivated area was being thus extended, there was a decided falling off in the average return per

acre, but as droughty conditions prevailed over the Province during the latter years of the period, it is now impossible to say how much of the decreased yield is to be attributed to methods of cultivation, and how much was unavoidable.

With a population in 1861 of less than 16,000, it was not to be expected that much advance would be made in Western Australia in either agriculture or pastoral pursuits. Nevertheless the area cultivated increased from 7000 acres in 1851 to 25,000 in 1861, while there was also a fairly large increase in stock; the number of horses in the colony rose from 2600 to 8300, of cattle from 13,000 to 31,000, and of sheep from 128,000 to 234,000.

Agriculture in Tasmania did not show the progress, during the period, which might have been expected from the genial climate, fertile soil, and favourable position of that colony in regard to Victoria. It is true that the breadth of land ploughed was increased from 151,846 acres in 1851 to 248,064 acres in 1861, but from one cause or another the yield was not good. Governor Gore-Brown, who took a very intelligent interest in farming pursuits, reported in 1861 that "an inferior system of agriculture prevailed, it was difficult to procure good agricultural labourers, and the land was exhausted by continually growing the same crops." Some steps had been taken to introduce machines, such as reaping and threshing machines, especially in 1853 and 1854, but the advance made in this respect was by no means so great as that made in the colonies on the mainland. The diminution of crops in the later years of the period, coupled with the diminished prices, made agriculture unremunerative.

The first effect of the gold discoveries upon the pastoral industry was to deprive it of a large part of the labour necessary to its successful prosecution, and then to create a demand for carcase meat which, under other conditions, would have proved highly acceptable to the grazier. The industry struggled under very great difficulties for the first few years, but gradually accommodated itself to the

new conditions. One of the accommodations made was the re-stocking of Victoria from New South Wales, thus moving the supply of stock nearer to the demand, as after 1853 Victoria was the more populous colony. It was during this period also that the tide of settlement swept northwards from New South Wales to Queensland, and important stations, both for cattle and sheep, were established on the fine downs north of the New South Wales border. As in previous periods settlement followed in the wake of the explorer, or as often happened, the pioneer squatters were the first explorers.

Taking Australia as a whole, although there was a great expansion of settlement during the period, there was no great increase in the number of sheep depastured, the total in 1851 being 17,450,000 and in 1861 20,980,000. The system of fencing runs and keeping sheep in paddocks was adopted during the period, but lack of labour prevented much being done in this direction; the squatters had still to rely for the care of their sheep upon shepherds, and as large numbers of shepherds and other station hands had given up their uneventful life, on the stations, to join in the search for gold, runholders found themselves compelled to restrict their operations to the number of sheep that could be attended to by the smaller number of men available for their service. Figures are not available for an exact comparison, but it would seem probable that the number of "shepherds and persons engaged in the management of sheep" in 1851 was 27,000, and in 1856 about 20,000, while in 1861 the number was again about 27,000. These figures represent one person employed to every 650 sheep in 1851, to 950 in 1856, and to 780 in 1861. This increased charge put upon each shepherd shows the difficulties of the station-owner, and accounts for the very slight increase of sheep. The other great branch of the pastoral industry, cattle-rearing, made more progress, and during the period the number of stock throughout Australia increased from 1,924,482 in 1851 to 3,846,554 in 1861; the number of men employed tending them,

however, was about the same at the beginning as at the end of the period, in spite of the increased numbers, which very clearly indicates the difficulty stock-breeders had in obtaining the class of men they required.

The demands of Victoria and the Moreton Bay district prevented any increase in the number of sheep in New South Wales proper; in 1851 the returns showing 7,400,000 as compared with 5,600,000 in 1861. The other descriptions of live-stock more than maintained their numbers in spite of the heavy drain upon them.

Naturally the pastoral industry was more greatly disturbed in Victoria by the gold discoveries than in any of the other colonies. To meet the deficiency of shepherds, the flocks were increased in size and aborigines employed wherever they could be procured. And in these ways the industry was carried on, over the difficult period of the first years of the gold rush. At first it seemed likely that the sheep would not be shorn, but, by extending the shearing over several months, the wool was taken from the sheep. The wool was exported in a greasy state just as it left the sheep, there was no labour available for washing it, which was usual at that period. The difficulty in regard to station labourers continued to affect the pastoral industry grievously during 1852 and 1853, but towards the close of the last-named year there was a decided change, and in March 1854 the census showed 6874 persons employed in Victoria as stockmen and shepherds, which was only 445 less than before the gold discoveries. In 1857 the number had risen to 10,172, and in 1861, when a detailed count was for the first time made, the census showed :

Squatters, stockholders, graziers, settlers, etc. .	1064
Overseers, stockmen, shepherds, and labourers .	8660

9724

The number of sheep depastured showed no increase during the period. In 1851 the returns showed 6,589,923 sheep, and in 1861, 6,239,258, while midway between these years the number was about two million less. The

demand for food was the chief cause of the decrease, the seasons being not unfavourable, and the flocks would probably all have been eaten up but for the supplies obtained from New South Wales and South Australia. Mutton, damper, and tea were the three essentials of a miner's diet; beef would gladly have been used if it had been procurable, but the appliances of a butcher on a mining camp were not equal to dealing with cattle, so that the supply of beef was much less than that of mutton. In 1851 there were 390,923 head of cattle depastured in Victoria. in 1861 the number rose to 628,092. This increase was not obtained altogether by breeding within the colony; there was a very large transfer of stock from New South Wales, especially in the closing years of the period. The fertility of a large part of Victoria, the Australia Felix of Mitchell, was well known, and there was a natural movement, on the part of squatters and other good judges of land, to get a footing in the colony. Four million acres of Crown lands were sold in the ten years which closed in 1861. Most of this land was acquired by squatters, who in many cases made sacrifices beyond their means to purchase land on their holdings and so fence off intruders. Large numbers of mortgages on live-stock were effected during this period, and it was well understood that the money, so obtained, was devoted to land purchases.

Notwithstanding the large purchases of land the number of stock depastured on Crown lands in Victoria was still much larger than on purchased lands. The returns of 1858 show 1034 holders of Crown (leased) lands depasturing 381,961 horned cattle and 4,310,157 sheep, and 9217 freeholders with 232,576 cattle and 455,865 sheep; the rest of the stock, viz. 84,793 cattle and 812,391 sheep, belonged to persons who held both descriptions of land.

The pastoralists of South Australia suffered greatly from lack of labour during the whole of this period, and for the first two or three years they were compelled to rely upon the labour of the aborigines very largely. When,

in 1856, an enumeration of the people was made and a count of the live-stock, it was found that there were 1575 persons engaged in pastoral pursuits, the cattle numbering 272,746 and the sheep 1,962,460 ; this would represent one shepherd to about 2500 sheep. In unfenced country this was greatly in excess of the number of stock that could be properly managed. The number of men employed during 1861 was 3491, and the sheep depastured numbered 2,824,811, and the cattle 278,265, so that allowing for large stock as in the previous instance, the average number of sheep per man was about 1400. In the interval much fencing had been done and the flocks made more manageable.

The rush from Tasmania to the goldfields promised, at first, to ruin the pastoral industry of the island, and indeed there was a large decrease in the number of sheep depastured. In 1861 the sheep numbered 1,714,498 as compared with 2,213,367 in 1851, in spite of large importations during the intervening years. But for Tasmania, as for all the colonies, there was compensation in the increased value of wool ; from 10·5d. per lb. in 1852 the price advanced to 13·3d. in 1853 and 17·7d. in 1854, and continued high during the rest of the period. This advance in price was common to all descriptions of wool and not due to any change in the character of the fleece, which did not greatly improve during the ten years. The pastoralists had as much as they could do to maintain their position during the trying years of the gold rushes, and were unable to give much attention to the improvement of the breed of their stock.

MANUFACTURING INDUSTRIES

The immediate effect of the gold discoveries upon the small manufacturing industries of New South Wales was to stimulate some and extinguish others. There was of course an increased demand for all classes of manufactured goods, but as a rule the most enterprising and resourceful

men were the first to leave for the goldfields, and this desertion was fatal to most of the minor industries. Of the three industries that seemed in a strong position at the close of the previous period, the manufacture of woollen cloth, soap and candles, and refined sugar, the last-named was the only one that carried itself successfully through the trying period of the gold era. The woollen cloth industry received a great impetus during the first years of the period, the output in 1852 being 234,378 yards, which was more than twice that of 1851. This production was, however, not sustained, and though the output in 1853 and 1854 was far above the production of any year except 1852, that of 1855 was only 35,760 yards, and in 1856 the industry was almost extinct. There was a revival a few years later, but the manufacture did not regain the importance it had prior to the gold discoveries. The making of soap and candles was also stimulated during the early years of the period, 1854 being a year of large production, but by 1861 the industry had shrunk back to its former dimensions. The manufacture of refined sugar was well established before the gold discoveries were made, and 74,000 cwt. were produced in 1851, 113,600 cwt. in 1855, and 128,920 cwt. in 1861, in spite of the fact that sugar-refining had also begun in Victoria, which had depended previously upon New South Wales for a portion of its supply. None of the raw sugar treated in the refineries was of local production, the bulk of it came from the East Indies.

There was more attention paid to the employment of machinery during this period than formerly. In 1853 a steam machine was in use in one brickyard only ; in 1859 the number was thirty. In 1855 there were only twelve saw-mills using steam-power, whereas four years later there were thirty-eight. In most other industries, to which steam-power was applicable, there was evidence of a similar extension ; this was indicative both of the rise in wages, turning the attention of employers to labour-saving machinery, and of the existence in the colony of the

necessary capital to enable business extensions to be carried out.

At the beginning of the period agriculture and stock-raising were practically the only industries in Victoria; manufacturing properly so called was not carried on, unless the preparation of building materials for houses, baking and preparation of food, and tailoring can be so designated. When the gold discoveries were made even these industries lacked labour, and some of them were practically suspended during the latter part of 1851 and throughout 1852, but there was a speedy recovery, as the camps of the diggers soon became thriving towns.

An important beginning was made in several industries during 1856, and by 1861 there were 403 factories and works in Victoria, of which 137 used steam-power. The number of persons employed was 3830, all with the exception of 50 being men, and of this total 1905 found employment in Melbourne. The more important of the works were: 22 agricultural implement factories, 30 tanneries, 42 breweries, 53 brickyards, 46 saw-mills, 19 iron, brass, and copper foundries, 14 soap and candle works, 5 gas-works, and 1 sugar refinery.

Neither in South Australia nor in Tasmania was there any manufacturing development during the period, the population was too small in either colony to support extensive industries, and during the earlier years the attention of the population was otherwise absorbed. In South Australia the making of agricultural implements was begun and a slight export trade maintained, but the industry did not afford any considerable amount of employment.

As already mentioned the whale fisheries had greatly declined in importance before the close of the last period. In 1851 the export of whale products from Sydney amounted to 588½ tons of sperm, 13 tons of black oil, and about 67 tons of whalebone, together valued at close upon £26,000. In 1858 the export had fallen to £1450, in 1859 it had dwindled to £532, and in 1860 to £136. With

the last-named year the industry, around which clusters so many historical associations and which is so peculiarly reminiscent of the early days of settlement, practically disappears.

The whaling industry did not, however, cease to be followed in Southern waters. It was renewed in New Zealand, which was found to be central, and offered conveniences for the establishment of "shore" parties. The chase for whales was carried on beyond the Australian seas, but many of the ships engaged were fitted out at Hobart, and returned there with their take. During the ten years 1851–1860, some twenty to thirty Tasmanian vessels regularly frequented the fisheries, and the value of their take averaged about £45,000 a year.

The coal-mining industry continued, during the period, to be confined to New South Wales, where the Newcastle seams were worked. At various times, during the years 1851 and 1852, it seemed not unlikely that the mines would have to be closed for lack of hands to work them. But seeking for gold did not altogether suit the coal-miners who had deserted the mines for the goldfields, and in 1853 most of them returned to take up their old occupations at Newcastle, where their numbers were added to by new arrivals from England, and there was general progress in coal-mining to the end of the period. In 1850 the production had been 71,216 tons and in 1852, 67,404 tons, increasing to 368,862 tons in 1860, the output of the year being valued at £226,493. There were seventeen coal-mines, all in the Newcastle district, and Newcastle itself was already beginning to be known as a shipping port, but the harbour was poorly equipped and the entrance dangerous. The price of coal rose during the height of the gold discoveries to 32s. 6d. per ton at the pit's mouth, but the average price during the period was 12s. 11d.

VII

WAGES AND CONDITIONS OF LABOUR

NEW SOUTH WALES

At the beginning of 1851 the industrial condition of New South Wales was rather better than at any time since the crisis of 1842-43, but wages were low and employment hard to obtain, except by agricultural labourers and shepherds. The proclamation of the gold discoveries in April 1851 produced an immediate change. Mechanics and workmen of all descriptions abandoned their occupations in large numbers in order to seek for gold, and in all the more important trades wages rose about one-third, the subordinate officials in the public service sharing in the general improvement.

Before the discovery of gold the ordinary wage of a mechanic engaged in the building trade was 4s. 6d. a day. Within a few months after that discovery, the immigration agent made the following returns of daily wages for men employed in Sydney :

	<i>s.</i>	<i>d.</i>		<i>s.</i>	<i>d.</i>
Carpenters . . .	6	9	Bricklayers . . .	6	0
Blacksmiths . . .	7	0	Masons . . .	8	3
Wheelwrights . . .	7	0			

Men belonging to these trades, when working in the country districts and paid by the year, received from £45 to £55 with rations and hut accommodation, as compared with £30 previously; farm labourers and shepherds were paid £18 to £24, with rations, etc., as against £16 to £19.

The first rush to the Lewis Ponds and Summerhill Creek comprised all sorts and conditions, some fit, but many more unfit, for the work of gold-seeking. A short trial convinced them that the digging out of the alluvial deposits, the washing and cradling, meant arduous and continuous labour, and that only the physically robust were likely to succeed. There was from the first a constant stream of persons returning from the goldfields, and the volume of these greatly increased as the winter approached; so that, in spite of constant fresh arrivals, the population actually on the fields did not greatly increase after the first great rush was over. Those who returned from the goldfields went back to their ordinary employments. There was, however, a feeling of unrest amongst the labouring classes, and indeed throughout the whole community, and to this spirit the continuance of high wages was due, rather than to any actual decrease in the number of workers available. During the first few months scarcely a thousand men were constantly employed in digging for gold, and more than that number had arrived in New South Wales from the other Australian colonies. The gold discoveries put an end to the emigration to California, which had been going on since 1849, and after their first alarm was over the authorities in Sydney felt confident that, far from depleting the labour market, those discoveries would bring an abundant supply of the class of labourers most in demand. Acting on this opinion, Fitzroy sent instructions to England that no more assisted immigrants should be despatched, indeed he expressed the fear that the labour market might soon be expected to be overstocked and unemployment would ensue; in which case he thought it prudent to hold the land revenue in hand, to meet any calls for relief that might be made on the Government.

In August 1851 gold was found in Victoria on a scale that completely dwarfed the New South Wales discoveries. There was immediately a rush to the new fields, employers in New South Wales found themselves short of labour, and after waiting a few months to see if the rush

to the Victorian goldfields would continue, the Governor gave directions that assisted immigration should be revived and prosecuted with the greatest activity.

It was hardly to be expected that the authorities in New South Wales would realize the full significance of the period on which the colonies were about to enter. Speaking in November 1851, Deas-Thompson said that the wages of labour had not increased on an average more than 15 or 20 per cent, and that contracts had been made for sheep-washing at 15s. per week and rations, while shearing was paid at 3s. per score. There was no lack of labour to gather the abundant harvest or to shear the flocks. Deas-Thompson had in mind chiefly predial labour, as the advance in the wages of mechanics was about 50 per cent; in any case at the time he spoke it was much too soon for any forecast of the trend of wages to be made, every one being still in the dark as to the possibilities of Australia as a gold-producing country.

The year 1852 saw many important gold finds, and it was the time of maximum production in New South Wales. The number of licensed miners was about 4000, but the actual number engaged in the search for gold largely exceeded 5000. In such a small community the withdrawal of so many men from ordinary occupations would doubtless have affected wages, but the notable events occurring in Victoria were the deciding factor, and vastly affected employment and wages in all the colonies. From New South Wales alone 12,500 persons proceeded by sea to Melbourne *en route* for the goldfields, and large numbers went by land. It is probable that of the people resident in New South Wales during the last quarter of 1851, 25,000 were engaged on the colony's own goldfields or had gone to Victoria. It is therefore not surprising to find that the advance in the rates of wages was continued throughout the year 1852.

The following statement taken from the returns of the immigration agent shows the quarterly averages for the principal mechanical trades :

	1st Qr.		2nd Qr.		3rd Qr.		4th Qr.	
	s.	d.	s.	d.	s.	d.	s.	d.
Carpenters, per day .	7	0	8	0	9	6	11	0
Blacksmiths, per day .	8	6	8	6	10	0	11	6
Wheelwrights, per day .	8	6	8	6	9	6	10	0
Bricklayers, per day .	7	0	8	0	11	0	11	0
Masons, per day .	8	9	8	9	10	0	11	0

These wages represent an average struck for the whole colony; if the comparison had been for Sydney alone the advance would have appeared still greater, especially for blacksmiths and carpenters. The trades enumerated are of course those which were most in demand, but all trades shared in the improvement of wages very substantially, if not to so great an extent. In the country districts the hiring even of mechanics was still by the year, and the most extraordinary variations of wages existed. There was no longer a general rate, increasing with the remoteness of the district from Sydney; the determining factor was nearness to the Victorian goldfields, and the highest wages were paid in the southern districts of the colony and the lowest in the more northerly. In the southern districts the terms on which a mechanic was hired depended upon the number of employers competing for his services. For the first time in the history of settlement there were in some districts more masters than men. The pay of mechanics, such as carpenters, blacksmiths, and wheelwrights, hired by the year and receiving rations and hut accommodation, ranged from £50 a year in the northern districts to £150 in the Murray River districts. Such a range of rates may be taken as meaning nothing more than that it was no longer necessary for a man to seek work, but for a master to find some one willing to work for him.

The advance in the wages of predial workers was not by any means so marked as that of the skilled mechanical labourers. In some districts, such as Albury, which was close to the Ovens goldfields, it was difficult for squatters and agriculturists to retain their workmen, except by paying them wages between £60 and £70 a year, with

rations and sleeping accommodation, but in other districts the range of wages was between £26 and £40 a year.

There were still in the colony a considerable number of time-expired convict servants, many of them too old to shift from place to place in search of higher wages, who were content to remain with their old masters either at the wages formerly paid or at rates slightly above them; but even amongst these men there was a feeling of unrest, which, it will be seen, as the period advanced, led to a considerable increase of wages, even amongst the most unenterprising farm servants and shepherds.

As might be expected, in the early years of the gold discoveries no great alteration took place in the wages of domestic servants. Up to the end of 1852 the wage of a female domestic was about £25 a year in Sydney, and £20 in other parts of the colony; the higher wage being explainable by the fact that servants in Sydney were usually of a superior type and more highly skilled than those employed elsewhere in the colony.

Throughout the year 1853 wages continued to rise. There was a considerable immigration from Great Britain, which, however, did not do much more than balance the exodus to Victoria. In the mechanical trades there was no want of men; indeed, it is probable that if full time had been worked there would have been a surplus of labour, but hardly any one in the building trade thought of working full time. During the latter half of the year carpenters and blacksmiths were paid 14s. to 16s. per day, bricklayers and masons about 21s., and in some cases even 25s. Employment had reached such a condition that no responsible employer would undertake contract work in the building trade, as it was impossible to fix with any degree of accuracy the probable wages a month or two ahead. As in the previous year the price of necessaries, rent excepted, did not rise proportionately to the increase of wages, and consequently that increase was of real benefit to the working classes, as any skilled mechanic was able to take a day or two to himself during the week, and

live comfortably on his earnings during the other days. Every industry felt the vivifying influence of the gold discoveries. Farm labourers, who were formerly paid £26 a year, received £32:10s., with a proportionate increase to the higher paid men, such as foremen and bailiffs, while the ordinary wage of a shepherd was £37:10s. There was an increase in the wages of women; all classes of servants were difficult to procure, and many households had to be carried on without the assistance of servants, yet in spite of these conditions the nominal wages of domestics did not rise above an average of £26 a year.

During the first half of the year 1854 wages reached the highest point ever experienced in New South Wales. In June 1854 the *Sydney Herald* reported that the daily wages then current were as given in the following list, and as the year advanced the average rates tended more and more to the higher figure :

Painters	13s. to 16s. 8d.
Carpenters	15s. ,, 20s.
Joiners	17s. ,, 20s.
Plasterers	25s. ,, 30s.
Plasterers' labourers	12s. ,, 15s.
Bricklayers	25s. ,, 30s.
Bricklayers' labourers	16s. ,, 18s.
Masons	25s. ,, 30s.
Masons' labourers	10s. ,, 12s.
Carters	8s. ,, 10s.
Quarrymen	18s. ,, 20s.
Blacksmiths	14s. ,, 16s.
Farm labourers	£40 ,, £50
Shepherds	£30 ,, £40

} per year with
} rations, etc.

There was still much going and coming between the goldfields and the older settled districts. Those who returned had for the most part convinced themselves by a few months' experience of their unfitness for a miner's life, and empty in pocket sought their former homes. Many of them took up work at their trades on the journey homewards, and usually at much lower rates than were

paid in Sydney. Thus the Government Road Surveyor working near Murrurundi was able to report, in May 1854, that labour was plentiful, and that he could hire labourers at 6s. 8d. per day, stone-masons at 11s. 8d., and carpenters at 10s., whereas nearly twice these rates were obtainable in Sydney. The men hired in this way were as a rule of the class already spoken of, men returning disappointed from the goldfields. The labourers referred to as being hired at 6s. 8d. per day were described as able-bodied : if such were the case, their stay at Murrurundi would probably be very short, as there was a large demand for labourers on the Sydney, Parramatta Junction, and Liverpool railway works, where men engaged on excavation were as a rule paid 10s. a day, picked men obtaining from 15s. to 20s. a day.

The increased purchasing power of the community, almost from the first discovery of gold, set up an increased demand for order goods from bootmakers, tailors, and saddlers ; but the wages demanded and frequently paid in these trades put it out of the possibility of any but the wealthy indulging their taste for specially made goods. In 1854 the earnings of tailors averaged about £3 : 15s. a week, and of bootmakers, £3 : 10s., but by this time the colony had begun to rely upon ready-made goods imported from England. During 1852 and 1853 the requirements of Victoria set up a great demand for sawn timber, bricks, and freestone, to the great advantage of the sawyers, quarrymen, and brickmakers of New South Wales, but the depression in Victoria of 1854 had an immediate effect on these trades, and though the nominal wages paid did not recede, there was a great reduction in the amount of employment available.

The wages of female servants were quoted as 8s. to 12s. per week. This is the first occasion on which a weekly rate appears to have been given for domestic servants, and marks their unwillingness to engage themselves for long periods. The general condition of the colony is shown by the marriage rate of 11 per thousand in 1854, as

compared with 9·6 in 1851 ; the increase in marriages was mainly amongst women of the domestic class, and will further explain their reluctance to enter on service for a lengthened period.

Notwithstanding the rise in wages, towards the end of 1854 labour became more abundant, partly owing to the depression then prevailing in Victoria, and partly to the renewal of assisted immigration on a large scale. In November the Australian Agricultural Company sent to Melbourne for labourers, and was successful in procuring as many as were required.

Early in the year 1855 wages began to fall, and, before the end of March, they were reported to be from 10 to 20 per cent below those current six months previously. In Sydney the demand for houses was almost supplied, and there was a noticeable slackness in all trades connected with building ; besides this, all undertakings of a speculative character were depressed, as there was a general fear that speculation had been carried too far.

As the year advanced the decline in artisans' wages continued. It was no longer a case of the masters looking for men ; the labour market was abundantly supplied, as there had been a very extensive inflow of population from the United Kingdom, and from Victoria also, where the conditions of employment remained unsatisfactory. There was, however, no approach to the pre-goldfields conditions, as the wages of mechanics in the building trades did not fall below 14s. to 18s. in Sydney, and 11s. to 12s. in the country.

During the opening months of 1856 the only classes for which there was a demand in excess of the supply, were agricultural labourers and good domestics. To meet the demands of the farmers and pastoralists, German and Swiss labourers were brought to the colony in considerable numbers. The wages paid to these men were about £26 a year, with rations and sleeping accommodation. This was somewhat below the current rate, as few competent farm hands from the United Kingdom could be obtained

at less than £35, while the majority demanded and received £40 a year with rations, and shepherds were paid from £30 to £35. There was little change in the wages paid to domestics during the year, cooks and laundresses earning £26 to £30 a year, and other servants from £20 to £26. The demand for domestics was very strong, and, in ordinary circumstances, the wages paid would have risen much higher than the figures just quoted, but a large proportion of the domestics in the colonies did not look upon employment as more than a temporary phase of their career. The demand for wives, amongst miners doing well on the goldfields, and amongst steady and successful mechanics, was so great that few domestics, who cared to accept husbands, failed to obtain them. Service with them was at most a matter of a month or two, and an agreeable home was of more importance than high wages : hence the comparatively small increase in the wages of domestic servants, compared with that in the wages of mechanics and other town workers.

There was great difficulty in getting navvies for pick and shovel work, as these were the class of men who could do well for themselves on the goldfields. The contractors for the construction of the railway line from Sydney to Parramatta could make little progress with their work, owing to lack of the necessary labour, and as the Government was anxious to see the completion of the railway, it allowed 500 immigrants of the class required to be introduced, partly at the public expense. With this accession of labour the work was steadily pressed forward to completion. As the year 1856 advanced, labour in the mechanical trades became more plentiful, but it was only in the last three months of the year that there was any noticeable reduction in the wages of this class. Taken as a body, men in the building trades obtained from 10s. to 15s. per day : bricklayers, masons, and plumbers earning the highest rates, from 13s. to 15s. ; joiners, carpenters, and plasterers, 12s. to 14s. ; and painters, 10s. to 12s. per day.

During the greater part of 1857 employment was fairly plentiful, but in most trades men had to accept somewhat lower wages than in the preceding year. The highest wage paid to painters was 12s. per day, the same as in the preceding year, but only the best men obtained this wage; a large number received 8s., masons were paid 13s. 6d., and blacksmiths, 12s. The rate last mentioned seems to have been that usually paid to mechanics. Towards the end of the year there was a decided depression in trade, which deepened after the harvest, but there was not much unemployment.

Early in 1858 it became evident that labour, both skilled and unskilled, was in excess of the demand, especially in the neighbourhood of Sydney, and the position was made worse by the slackness in the demand for farm and pastoral workers. At the Sydney labour offices farming men were accepting situations at rates as low as £25 a year, and work was not always available at this rate, even in the Moreton Bay district, which had hitherto been thought capable of absorbing all the labour likely to be offered. During March there were several meetings of unemployed men at Sydney, at which the demand was made that the Government should undertake the construction of new roads or other public works, in order to absorb those mechanics and other skilled workers who could not obtain employment at their own trades. The views of the unemployed were voiced by a deputation, which waited on the Premier with a list of 782 persons who were unable to find work. The Inspector-General of Police, as well as the Mayor of Sydney, bore witness that a large number of mechanics and labourers were out of employment through no fault of their own; the Mayor stating that, during March, applications for work had been made at the Town Hall by three or four hundred men beyond the requirements of the Corporation, and the great majority of these applicants appeared to be quite capable of doing a good day's work. The prospects of the immediate future seemed anything but bright, and the Town

Council appointed a committee to study the question of unemployment, as it affected Sydney.

The Government seemed indisposed to open relief works, as it was opposed to such works on principle, and, with so mobile a population to deal with, there was always the danger that relief works near Sydney would attract the employed as well as the unemployed, and thus do as much harm as good. Impatient of delay, the unemployed threatened that if their demands were not attended to, they would march to the Legislative Assembly, and this they did on 22nd April. Their action was not without effect, for on the following day the Premier (Cowper) moved "That this House, having considered the correspondence in reference to the number of unemployed in the city of Sydney, is willing to vote such sum as may be deemed necessary for defraying the charges of employing them in the interior upon any of the public works, or of removing to the country, that they may obtain private employment, those men and their families for whose labour there is not at the present moment any demand in Sydney." This resolution having been passed, a sum of money was voted for the purposes indicated. Some three or four hundred persons, mostly married men with families, asked for country employment, but a much larger number of the workless preferred to remain in Sydney rather than accept unaccustomed employment in the country, and the position of the town mechanics remained practically unaltered. As the year advanced wages definitely settled down in Sydney to from 10s. to 11s. per day for skilled artisans; elsewhere in the colony wages were still lower, from 7s. to 9s. being the ordinary wages paid in towns like Bathurst.

At the beginning of September 1858 gold was discovered at Port Curtis. The most exaggerated reports of the richness of the new field became current almost immediately, and for a whole month Sydney and its neighbourhood were in a state of feverish excitement; as the *Sydney Morning Herald* put it, "where many are waiting to

improve their fortunes, the first sign of a favourable opening is likely to operate with power proportioned to the pressure behind as well as to the attractions before." A rush to Port Curtis began at once. Large withdrawals of money were made from the savings banks, and by the third week in September eighteen ships with 1850 passengers had left Sydney for Rockhampton, and twenty-nine others were advertised as about to sail. It was estimated at the time that four or five thousand men from Sydney and seven thousand from Victoria actually set out for the new diggings. The labour market was of course affected by the withdrawal of so many workers, but more powerfully by the exhilaration of those who remained behind, who hoped that the days of Ballarat and Bendigo were about to be repeated. All classes of wage-earners began to demand higher pay and refused to enter into any long engagements. There was, however, a speedy disillusionment. Before there had been time for any material change in wages actually paid, it was ascertained that the find of gold, though rich, was small, and that there was not room on the field for more than a hundred or two. Some of the gold-seekers returned home on the same ship as carried them to Rockhampton, and by the middle of October several hundred men had returned to Sydney. Many of the returned diggers were practically destitute, and in their anxiety to obtain the necessaries of life they snatched at any employment offered, disregarding current wages. Some of these diggers gladly accepted country employment, and farm servants could readily be hired for 7s. per week, experienced men obtaining a little more.

It was recognized that the stranded diggers from Port Curtis were, as a whole, an excellent class, and there was a strong disposition both on the part of the Government and of many leading men to endeavour to keep them in the colony, if this were possible, but at the same time not to add to the amount of unemployment in Sydney, which had been increased very much by the returns from Port Curtis. It was well known that a number of very energetic

and experienced Victorian miners were among those who had gone to Port Curtis, and the New South Wales people, who had never relinquished the hope that they possessed goldfields little if at all inferior to those of Victoria, determined to retain these men to search for gold. A committee of citizens was formed and about £2000 quickly collected, to carry out the idea. The Government was sympathetic, and agreed to give an equal amount, as well as free passages on the railways whenever desired by the committee. By this means some 1350 men, of whom about one-half were Victorian diggers, were assisted to the New South Wales goldfields; these men were given free transit, with rations during the journey and for a few days afterwards. It can hardly be questioned that the experiment was justified by its results. There was almost immediately an increase in the value of the gold won from existing fields, and this increase was well sustained. It is also certain that the enterprise of the miners led to discoveries of new goldfields of great value.

The action of the committee did something to relieve Sydney of the difficulties arising out of the Port Curtis rush, but there remained a large number of persons who, though they had been eager to try their fortune in the new field, were not prepared to accept the more ordinary chances of the old fields. These remained in Sydney to add themselves to the already formidable number of the unemployed.

In the last quarter of 1858 the wages of single men as farm servants ranged from £30 to £35 per annum, ploughmen and stockmen were paid a little more, and shepherds about £5 less.

In December 1858 a memorial, signed by several hundred unemployed men, was sent to the Colonial Secretary urging that relief works should be opened for their benefit, and early in the following year, when Parliament voted various sums for public works, a deputation waited on the Minister for Lands and Works to inquire when these works would be undertaken. The Minister offered to men

who were destitute work on the Southern Railway, and referred those who wished to go to the goldfields to the Citizens' Committee, which still had money available to help them. The work on the railway was excavation and forming embankments from the spoil, the material dealt with being clay and shale; it was not acceptable to the unemployed, as it was offered in small contracts, the Government finding the plant and the men the tools and labour. The labourers as a body were keen that employment on public works should be paid for at daily rates, and, just previous to this offer of piece-work, a large number of them had besieged the Council Chambers of the Sydney Corporation, while a discussion on contract work as compared with day labour was in progress. Bands of six or seven hundred men paraded the streets of Sydney demanding work, and meetings of the unemployed were held daily, but the Government did not stir to help them.

In these circumstances it is not to be wondered at that wages fell. Carpenters were usually given 8s. a day; masons, bricklayers, workers in the iron trade, brass-founders, and other skilled artisans were rarely paid above 9s. a day; and it was anticipated that presently there would be no difference between the rate paid to skilled and unskilled labour. But serious as was the fall in wages to the working class, the irregularity of their employment was even more keenly felt. The demonstrations of the unemployed, which began in March, were continued almost daily during the ensuing six months, without turning the Government from its policy of non-intervention. Several members of Parliament, however, were found who championed their cause, and on 30th September, on the motion of Henry Parkes, the Legislative Assembly appointed a committee "to report on the condition of the working classes in Sydney." During the debate on the matter, the assistance given by Government to immigration was frequently referred to, as the cause of the prevailing distress. During the previous year about 7000 assisted immigrants had arrived, as well as more than 700

German immigrants, who were under bond to repay their passage-money. Nearly all these persons had been able to find employment, and the unemployed in Sydney felt that without this immigration there would have been a better market for their own labour.

The conditions of unemployment were a little better towards the close of 1859 than at any previous period of that year, and the Government congratulated itself that its policy of inactivity had been justified, but the improvement lasted only a few weeks, and at the beginning of 1860 the condition of the working classes was worse than at any period of the preceding year. Trade was very depressed and there were many failures in the mercantile community.

During November and December 1859 there had been a partial cessation of the agitation by the unemployed, but it recommenced with increased vigour in the first month of 1860, and relief works were demanded. The agitation was interrupted in February by the discovery of gold at Kiandra, on the Snowy River. It was believed that the new fields were likely to prove very rich, and there was a considerable rush to them from all parts of Australia. This rush would have been still greater had the discoveries been made in the early summer, instead of at the fall of the year, for Kiandra is situated amongst the Australian Alps at a height of 4640 feet above the sea, with a shade temperature just above freezing-point, during the winter months falling occasionally to 20° below zero. In these circumstances operations along the Snowy River had to be postponed until September. Meanwhile it was very confidently asserted that the new fields would prove to be extraordinarily rich; a return to the high wages of 1854 was freely predicted, and every one desired to anticipate his coming gains. Men could be persuaded with difficulty to accept country employment, and those who did so refused to engage for long terms, demanding higher wages than employers would give. The same ideas were held by mechanics in Sydney, who expected an

increased wage during the few months before the El Dorado would be workable. But employment was scarcer than ever.

With the hope of substantial result in the course of a few months, the unemployed became more clamorous in their demand for the opening of relief works near Sydney, so that they might have some occupation and maintain themselves and their families until after the winter.

On 18th April the committee, of which Parkes was chairman, presented its report on the condition of the working classes. This report, by the revelations which it made, considerably strengthened the case of the unemployed. It was stated, on the authority of an investigation made by the police in October 1859, that there were then 1039 persons out of employment, of whom 700 had been without work for periods of from one to six months. The great bulk of these men were labourers and mechanics. In some cases idleness or intemperance or unfitness for manual labour was the cause of unemployment, but the report went on to say: "There are many men, both mechanics and labourers, of good character and sober habits, able and willing to work, who nevertheless cannot obtain employment." Some might have obtained it if they would consent to a very great reduction of wages, "but the refusal appears to be dictated by the fear of permanently injuring their class, and a feeling that they would not be more secure of employment if the lower rates were submitted to." The report discussed also the housing of the working class, which was stated to be extremely bad, and other related subjects. It suggested as remedies a change in the administration of the public lands, and "revision of our entire taxation." It instanced "our perished manufactures of cloth, cordage, nails, pottery, and tobacco," and "our farmers unable to obtain for their wheat and potatoes the cost of carriage." On 2nd May Parkes presented a petition from the unemployed asking that certain Government works might be opened. A body of unemployed men assembled on this occasion

outside the Legislative Assembly, and the attention of the House was drawn to the fact by one of the members. On the same evening the immigration vote was discussed and, though it was passed, the amount appropriated was reduced from £60,000 to £30,000.

On 8th May Parkes in a speech, even more protectionist than the report itself, moved the adoption of the report on the condition of the working classes, and maintained that "the effort made in this report to induce a favourable consideration for native productions was the most important part of the inquiry." The Legislative Assembly was strongly opposed to protection, and the report was rejected by a very large majority. A few days later a considerable gathering of unemployed labourers and mechanics assembled in Macquarie Street opposite Parliament House, where they were addressed by their leaders, and the conduct of the majority of the Assembly, in rejecting the recommendations of the select committee, was strongly denounced. The Assembly was sitting at the time, and one of the members called the attention of the Speaker "to the presence in front of the Parliamentary Buildings of a tumultuous assemblage uttering cheers and groans expressive of approval or disapproval of the proceedings of members of the House." The Speaker very naturally replied that, as the crowd was in the public street, it was not in his power to interfere. Outside the House there was a great commotion. Urged by their leaders, it was decided to send a deputation to interview a member of the Assembly, known to be favourably disposed to their interests, and the police, who were stationed at the gates of the enclosure in which the Parliamentary Buildings stood, consented to admit a few persons to the precincts of the Chamber. When the deputation moved to enter the enclosure, a large part of the gathering rushed forward and sought to force an entrance for themselves also. In the *mêlée* which ensued severe blows were exchanged between the police and the demonstrators, and it was not until a large reinforcement of police arrived

that order was restored and the mob dispersed. The ring-leaders in the attack on the police were apprehended, and subsequently brought before the Criminal Court, where several of them were found guilty of assault and sentenced to short terms of imprisonment. This, however, did not put an end to the agitation of the unemployed, who continued to hold meetings almost every night in the neighbourhood of the Legislative Assembly. This importunity moved the Government to appoint a "Committee for the Unemployed," which received applications for work on the extension of the Northern Railway then being undertaken, but very few cared to avail themselves of this offer; the great majority preferring to remain in Sydney, where their condition was rendered almost desperate, as, indeed, was the condition of nearly all labourers, by the continuous wet weather which prevailed throughout the colony during the winter of 1860.

The Snowy River goldfield, upon which so many hopes had been placed, became workable in October. There was immediately a great rush of diggers, not only from Sydney and other parts of New South Wales, but from the other colonies. Though payable gold in considerable quantities was obtained, the field was not another Ballarat, and failed to produce the effect on the labour market that had been confidently expected. The wages of town workers remained practically unaltered, while those of station and farm hands were improved, only where men were willing to make long engagements, which, as is usual at a time when gold discoveries are talked about, did not often happen. Deep discontent pervaded all classes of labour. On the goldfields this was shown by a renewal of the anti-Chinese rioting, in Sydney by demonstrations of the unemployed, fiercely demanding the opening of relief works and the stoppage of assisted immigration. That dire poverty existed in Sydney was a matter of common observation; the Benevolent Society, which from its limited resources was compelled to restrict its relief to the most indigent cases, had, in 1858, supported

1146 persons in its wards, and 191 families living in their own homes ; in 1859 the numbers were 2142 and 357, and in 1860 2808 and 468. The relief afforded by the Benevolent Society reached only a small proportion of those in want, and miserable conditions prevailed all through the summer, when employment is usually abundant. In January 1861 the *Herald* gave particulars of 95 cases, collected in a single day, where men were destitute for want of work. The majority were labourers, but there were many mechanics also. In most of the cases referred to by the *Herald*, the head of the family had been without employment for several weeks, in some instances for six months. In February the same newspaper reported : "There were multitudes in Sydney who are subsisting on their past savings, drawing upon their furniture, clothing, and household comforts to supply the pittance for the day."

The industrial situation was somewhat ameliorated, during the early part of 1861, by the improved weather conditions and the prospect of a good harvest, and later on by the discoveries of gold in New Zealand, and in the Lachlan River district in New South Wales itself. A large number of diggers had taken up agricultural or pastoral work, and on the discovery of the new goldfields had left their employments, so that, with the advent of a good season, the demand for predial labour exceeded the supply. Farm labourers were offered from £35 to £40 a year, and stockmen from £45 to £50, an advance of £5 on previous rates ; while country carpenters and blacksmiths were engaged at rates from £60 to £85 a year with rations and lodging. The Otago goldfields in New Zealand drew off from Australia, about the middle of 1861, a large number of miners, and, as is usual in such cases, a fair number of mechanics also. The Lachlan goldfields were found to be somewhat deep and required the employment of capital ; it was therefore some little time before they could be sufficiently developed to give much employment to ordinary miners and labourers. The net result of the improved

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outlook of the farming and pastoral industries and the new gold discoveries, was to reduce the amount of unemployment, but there was no change in the rates of wages paid in the urban districts. In December 1861 wages in Sydney were as follows:

Carpenters	8s.	to	10s. 6d.	per day
Masons			10s.	..
Masons' labourers	7s.	to	9s.	..
Plasterers	8s.	..	9s.	..
Bricklayers	8s.	..	10s.	..
Blacksmiths	7s. 6d.	..	9s.	..
Brassfounders	10s.	..	11s. 6d.	..

In the case of carpenters, masons' labourers, and bricklayers, the wages quoted were for a ten-hours day, in the others the rates were for eight hours.

Immigration assisted by the Government ceased in 1860, there was a short supply of domestic labour in consequence, and towards the close of 1861 there was an increase in the wages paid to all classes of servants. The general rates in December are shown in the following list, but in special cases and frequently in the country districts these rates were exceeded:

General servants	8s. to 12s.	per week
Housemaids	7s. .. 8s. 6d.	..
Nursemaids	7s. .. 9s.	..
Cooks and laundresses	10s. .. 12s.	..

Speaking generally, the period closed with a reaction against the high wages of the early years, and employment was not regular. Nevertheless the eight or nine years characterized by the rage of the gold fever had exercised a very great economic effect on the condition of the working classes, for had there been no discovery of gold it is not improbable that, with respect to both the standard of living and the remuneration of labour, the conditions existing prior to 1850 would have long remained without any change for the better. In those days the standard of labour in England was the practical test of the conditions of the working classes in Australia, who were thought well

off, simply because their earnings enabled them to enjoy comforts beyond the reach of their fellows in the Old World. Since the gold era this has been changed, and the standard, which Australian workers have made for themselves, has now no reference to that of any other country.

During the period there was a general movement among the working class towards combinations for trade and other common purposes ; a number of trade unions and friendly societies were formed, and the unions took a leading part in the various demands that were made for higher wages and shorter hours. Strikes which were rare during the previous periods of Australian history were now fairly frequent. The stonemasons, whose union had almost fallen out of existence owing to the apathy of its members, were able to revive it in 1851, and they took a prominent part in most of the subsequent movements for the improvement of trade conditions. Early in 1853 the masons obtained an advance of wages to 15s. a day without a strike. In May of the same year the shipwrights of Sydney struck for 20s. per day, an advance of 5s. a day on what they were previously receiving. A meeting of the craft was held, and, in consequence of the action which the men decided to take, warrants were issued by the Sydney magistrates against the leaders, who were charged with combining together for the purpose of intimidating other workmen from fulfilling their engagements with their employers. It does not appear that the prosecution was proceeded with, and the men obtained the rate of wages they demanded. In October 1853 the carpenters struck for higher wages. While the stonemasons were receiving 15s. a day the carpenters were working for 11s., and as they could not see anything in the conditions of their trade to warrant their receiving the lower rate, they demanded 15s. a day also. In the circumstances the masters agreed that the claim was reasonable, but wished to postpone the advance until contracts based on the lower rates of pay were completed. They were willing

to give 13s. immediately and 15s. in November. The men declined to accept this offer, and after a short strike were successful in obtaining their demand.

In 1854 a difference of opinion arose, in the office of the *Empire* newspaper, as to the form in which notices of the Government land sales should be printed. Henry Parkes, the owner of the paper, proposed to refer the matter to a conference of masters and men, or to withdraw the disputed mode of printing for the future. The men, however, held a chapel at which they determined to leave their employment at once, and they did so, without giving the customary fortnight's notice. It was then clearly laid down that the men had a right to form combinations and to endeavour to raise wages; but that they could not do, as a body, an act which it was illegal for them to do as individuals, and this they had done in leaving their work without notice. The printers taking part in the strike were prosecuted and convicted, the sentences imposed varying from twenty-four hours' to six weeks' imprisonment. In the same year the printers in the Government employ, being paid lower rates than similar workers in private employment, struck work for higher wages. The strike lasted some months, and, in order to find occupation for the men concerned in it, a proposal was made to establish a newspaper which should advocate the cause of the working classes. Before arrangements for the production of the paper were completed the printers returned to their work; nevertheless the publication of the newspaper, *The Operative*, was proceeded with. Its policy was stated to be the dissemination of true reports as to the wages actually paid in the colony, the direct representation of labour in the legislature, an altered immigration system, and the protection of the working class from the depreciation of the labour market by the introduction of inferior races. The appearance of the last-mentioned item on the programme of the paper arose from the fact that at this time both Eurasians and Chinese were entering the colony. The paper, which was published weekly, did not receive the support its promoters

anticipated, and after an existence of three months its publication was abandoned, as that of a similar paper, *The People's Advocate*, had been three years previously.

Strikes were not confined to Sydney. The coal-miners in the employ of the Australian Agricultural Company, at Newcastle, struck work on several occasions. In May 1855 they did so in protest against the scale of piece-work then in vogue, which was proportioned both to the quality of the coal worked and the quantity won. The men wished to enforce an equal rate for all qualities. This strike was unsuccessful, as the Company was able, without difficulty, to replace the men who left their work.

More notable than the strike just mentioned was one that occurred about six years later. During these years the leaders of the miners had been working to make their union stronger, and in 1861 they thought that their position was sufficiently strong to enable their policy to be further developed. Their first step aimed at limiting the output of the mines, so that the proprietors would not be able to accumulate a stock of coal, and thus be independent of the miners should it be found necessary or desirable for a strike to be declared; the second step, which was in a sense a development of the first, was to endeavour to keep up the price of coal, so that a high rate of wages might be maintained. The first of these objects the union sought to attain by decreeing that no miner should earn at piece-work more than 11s. 4d. a day, anything in excess of this amount to be forfeited to the union. There was some objection raised to this decree by men who had been accustomed to earn higher amounts, but all who adhered to the union conformed to the new rule. Before proceeding to a further development of policy, the union thought it desirable to make an effort to clear the Newcastle field of non-unionists. At this time the principal mining company at Newcastle was engaged in extending its workings, and employed ordinary labourers, practically all non-unionists. To this the union objected, demanding that miners only should be employed. The company, which had been

looking for a pretext for action, immediately announced a reduction of 20 per cent in the rates of piece-work, and the miners to the number of about six hundred ceased work. The men on their part demanded a return to the old rate of wages, the recognition of their union, the cessation of the system of allotting work by tender, and the dismissal of non-unionists employed in and about the mines. The struggle was very bitter. The masters endeavoured to crush the strikers by the introduction of "free labour," while the miners resorted to all kinds of intimidation to prevent non-unionists from working the mines. The company had a stock of coal which they sought to remove to ships lying close by, but the wives of the miners on several occasions attacked the men employed on this work, engaging them in hand-to-hand conflicts, and thus for a time prevented the removal of the coal. The local police being unable to prevent the rioting which occurred daily, forty police were sent from Sydney to maintain order, and the non-unionists thus protected removed the coal to the ships.

The stoppage of work at the mines greatly affected business at Newcastle, and some of the principal persons in the district formed themselves into a "reconciliation committee" to mediate between the proprietors and the miners. Mediation was the more easy, as the funds of the union were exhausted and the men were unable to procure goods on credit. Neither proprietors nor miners made any real difficulty in accepting the overtures of the committee, and on 12th October 1861 the strike ended, after a continuance of six weeks. The proprietors agreed not to enforce the reduction of wages that had brought about the strike, but no further concession was made to the men. Their union was not recognized, indeed it ceased to exist when the men returned to work, and the non-unionists remained in employment.

Another strike worth mentioning was that of the ironworkers at Bathurst, whose employers sought to reduce their wages by 10 per cent. The ironworkers were not a numerous

body, but they succeeded in keeping their workshops closed for a long period, during which they were supported by levies made by various unions in Sydney. In the end the men on strike gradually drifted away to other localities, and as the masters made no special effort to reopen their shops, the affair died out without gain to either side.

During the height of the gold discoveries, although, as we have seen, there were combinations by workmen to raise wages, such were on the whole not necessary; the employers found very grave difficulty in getting good men, and had to name a wage sufficient to tempt a man, who could always retreat to a goldfield in case of need, to work at his trade. When in 1855 the tide of gold discovery was past its flood, the unions realized that it would be useless to attempt to maintain wages at their highest level, and their efforts were directed towards shortening the hours of labour. The usual working day for mechanics was ten hours, from 6 A.M. to 6 P.M., with two breaks of an hour for breakfast and dinner, and the men sought to have the day reduced to eight hours, viz. from 6 A.M. to 4 P.M., with the same breaks as were already allowed. The matter was talked about in union circles for some time, but the official agitation began with the masons in Sydney at the close of 1855. There were then in Sydney 307 masons, 79 boys, 31 stonebuilders, and 49 scabblers who used only the pick. Of these 164 were members of the trade union. "If," wrote the Secretary of the Sydney masons to the Society of Operative Stonemasons in England, "the masons of Sydney were all in the union, we could command anything in reason, either with regard to time or wages. We are about trying to shorten the long hours of toil from ten to eight hours per day, if we have to sacrifice the two hours wages, for if the eight-hours system be once established it will never again be altered, while on the contrary, with regard to wages, we can always get them up to the old standard when there is a demand for labour." The agitation was a popular one; the masons' society greatly increased its numbers in consequence, and obtained

the eight-hours day early in 1856, coupled with a reduction of 2s. to 2s. 6d. per day in wages. In September 1856 the carpenters and joiners held a meeting to consider the propriety of adopting the eight-hours day; and in November a meeting was called of all the trades favourable to the principle, with the object of forming a labour league in order to secure its adoption. The league was formed at a meeting attended by representatives of the masons, carpenters, plasterers, and bricklayers, and the agitation in favour of an eight-hours day became general throughout the building trade. The unions of the various trades appointed delegates to the league, but the general movement failed. The plasterers and bricklayers gave up the struggle in a very short time; they were too loosely organized to carry it on effectively. The carpenters and joiners persisted in their demands, which met with determined opposition from the employers. The leaders of the workmen ordered a general strike, but, owing to the lack of funds, they were unable to make the strike effective. In February 1857 the committee of the carpenters' and joiners' trade union reported that they were "obliged to inform the men on strike that they were not in a position to afford them assistance any longer." At the meeting where this report was made it was resolved that "the disunited state of the carpenters and joiners has been the main hindrance to the final success of the eight-hours movement, and this meeting calls for more vigorous efforts to promote a more general union among the members of the trade."

The demand for a shorter working day therefore met with scant success, and for a few years little more was heard of it. In 1861 there was a revival of the movement, and the plasterers, who were then a small and united body, obtained an eight-hours day with very little trouble. The ironworkers gained a partial success, some shops conceding the eight hours, while others were strong enough to refuse. The bricklayers failed to win the concession, as also did the carpenters; the unions of these trades were not financially strong, as a large number of bricklayers and

carpenters refused to join the unions or to associate themselves with the eight-hours movement. The agitation in favour of a shorter working day was practically confined to Sydney, but it is worth noting that in February 1856 a meeting of operatives was held at Maitland to agitate for shorter hours; the men were content to ask for the cessation of work at 4 p.m. on Saturday only, and the matter did not lead to a strike.

There was some public feeling in favour of restricting the hours of labour within reasonable limits; but it does not appear to have been enlisted in favour of the eight-hours day in New South Wales. Many mechanics, working on piece-work, were at work more than ten hours a day in the busy times of 1852-54. In one case a master blacksmith brought his apprentice before the magistrates for refusing to work after 6 p.m. The magistrates stated that it was a question whether an order to work after that hour was a lawful command, but they gave a nominal punishment, as the indentures named no specific hours of labour, and there was "no law to limit the hours during which masters might command their apprentices to work." Although the decision was given against the apprentice, it was given with reluctance, the magistrates deeming it unfortunate that a contrary decision could not have been legally given. But this was not the attitude of the great majority of responsible persons towards wage-earners. It took them some time longer to learn, that the free and adventurous spirits whom the goldfields had attracted to Australia, could not be dealt with as easily and in the same manner as ex-convicts and immigrants assisted by charitable societies.

In 1852 the Masters and Servants Act, which was about to lapse, was renewed for two years. It must, however, have been obvious to the Legislative Council, that the conditions then existing throughout Australia would make it difficult, if not impossible, for masters to retain their servants, if they wished to leave for the goldfields or take service under another employer on higher wages being

offered them. Many masters nevertheless insisted on the full exercise of their legal rights, and their action led to much bitterness amongst their employees, who felt that it was unjust to maintain a scale of wages, fixed under conditions of prices that had been entirely changed. During 1853 a number of cases were brought under the Masters and Servants Act, and in some instances the penalty imposed was harsh and in direct conflict with the ideas of the time. Thus in November a servant was charged with leaving his employment before the completion of the term, for which he was alleged to have made a verbal agreement to serve. The man denied that he had arranged for anything but a week's notice, which he had given. Notwithstanding this he was imprisoned for fourteen days. In the same month a stonemason in Sydney, who was obtaining 21s. per day, left work without notice in order to engage elsewhere at 24s. a day. He was sent back to his former employer, to serve his period of notice, on pain of imprisonment. Cases such as these were quite common in 1853 and 1854, and contributed very largely to the reluctance of newly-arrived immigrants to enter upon indentured employment. In spite of numerous protests, the Act was renewed at the end of 1854, but there was a general agreement of opinion that, when next legislation was proposed, it would have to be greatly modified to meet the changed conditions. In August 1856 the *Sydney Herald*, in discussing the question of a new Act, said: "In the Masters and Servants Act there lingers some of the old leaven. . . . We remind the House that the servant of 1856 is a freeman in his feelings as well as in his position, and that the elective franchise has reached his cottage. . . . It is clear that no penalty should be imposed on the servant, which, all things being alike, will not fall on the master." In March 1857, under responsible government, a new Act was passed, which in two important particulars was made more favourable to the employee than the one it displaced, but the Act as a whole still imposed a heavy burden on the workman. A dis-

tion was drawn between failure to fulfil a contract of service which had been entered upon, and one which had not been entered upon. In the latter case the punishment was limited to a fine of £10 or, in default, a fortnight's imprisonment; in the former the punishment was imprisonment with or without hard labour for a term not exceeding three months: a distinction was also made between wilful and negligent damage to the property of an employer. As a kind of set-off against these harsh provisions, the Act rendered the master liable to imprisonment if wages could not be recovered.

The housing of the working classes in Sydney, although it was improved a little during the period, was still very inferior. At the height of the gold discoveries sanitation was everywhere very bad, and the houses of the poor frequently possessed neither drainage nor water-supply. Filthy courts and alleys were numerous, and many of the small houses contained several families, living in squalor and without provision for the ordinary requirements of decency. The Municipal Corporation of Sydney had proved itself a very useless body, and its work was placed for a time in the hands of commissioners, who improved the city's sewerage, set to work to repave the streets, and secured a pure water-supply. The rapid growth of the population made it difficult for housing accommodation to keep pace with the demand for it, and the census of 1856 revealed the fact that there was less accommodation in proportion to the population than in 1851. The matter caused Sir W. Denison great alarm. He wrote: "This is an evil which is likely to go on increasing, until the price of labour is reduced, for although very high rents are asked and paid for houses affording a very limited amount of accommodation, yet the cost of erection is so great as to leave, even with these high rents, but a very small margin of profit . . . the pressure which compels persons to be satisfied with a very inferior amount of accommodation to that to which they have been accustomed, which thrusts the occupant of a house into a small cottage,

and makes the cottagers resort to a mere bark hut, will probably . . . should it continue, have the effect of permanently lowering the standard of comfort and convenience. . . ." When he wrote, however, the tide had already turned, and in 1861 the average population per dwelling was 5·4, a lower number than the records of the colony had ever shown, and a reduction of one person per house on the figures of 1856. The increased accommodation was, however, gained chiefly by a construction of dwellings built with inferior materials, as may be seen from the fact that the number of houses built of brick or stone during 1851-56 was 2165, and those of wood and inferior materials 6341, as compared with 3282 houses built of brick or stone during 1856-61 and 14,758 of inferior materials. This increased provision was not sufficient for the influx of population, and in 1856 there were 1740 inhabited tents and in 1861, 6958; the bulk of these were of course on the goldfields, but tent-dwellers were to be found in every district.

The immediate effect of the gold discoveries had been to reduce the number of paupers in the community. In 1851 there were in the Benevolent Asylums at Sydney and Liverpool 372 inmates, and these institutions disbursed also about £1300 in outdoor relief; in 1852 the inmates numbered 320 and the outdoor relief cost only £760. But this favourable condition did not long continue. In the census of March 1856, 1030 persons were enumerated as "paupers, aged and infirm," and at the end of 1861 there were in the different asylums, hospitals, and orphan schools 3088 persons, while 2642 single persons and 488 families received outdoor relief of some kind. The benevolent societies remained under private management, although the bulk of their funds was obtained from the Government; thus in 1861 the societies received £17,045 from private sources and £54,684 from the public treasury. It was anticipated that the increase of pauperism was a temporary phase, which in a few years would be rectified. Events did not justify this anticipation. The rush to the goldfields

brought to Australia many thousands of good colonists, sturdy men and women, but there was a leaven of delinquents and defectives, some of whom became active pests to society, criminals of large or small degree, while others, unwilling or unable to work, remained for many years a burden on the charity of the community.

VICTORIA

When the Port Phillip district was separated from New South Wales it was more prosperous than the Mother Colony, and had been for the previous eight years. But the colony offered a very limited field for the employment of labour. Melbourne was a small town of 23,000 inhabitants, and the whole colony had a population of only 79,000. As soon as the news of the gold discoveries in New South Wales reached Victoria, there was a disposition on the part of the labouring population to depart for the diggings. In Melbourne the wages of artisans rose immediately to 7s. 6d. a day in some trades and 9s. in others, and in the country districts wages were similarly affected. But the discoveries in New South Wales were very soon thrown into insignificance by those made in Victoria itself and within easy reach of Melbourne. In September 1851 gold was found at Ballarat, and in October at Mount Alexander. These finds were of extraordinary richness, and created a feeling of the wildest excitement amongst every class. The farm hands, shepherds, and other rural labourers in the neighbourhood of the goldfields abandoned their work almost to a man, and even the farmers deserted their holdings, leaving only the women and children behind. From the towns there was a general stampede to the diggings, and at first it was impossible to retain labourers, no matter what wages were offered, and, save in the most necessary occupations, industry was almost at a standstill. The salaries of the minor Government officials were doubled by the Governor, and this kept some of them at their posts, but the larger

number rushed off to the goldfields without the slightest warning. In December 1851 Latrobe wrote: "It really becomes a question how the more sober operations of society . . . may be carried on." Where workmen remained at their posts, their pay was made proportionate to the obligation their employers were under for the consideration shown them. In the same month the nominal rates on stations were as shown in the following statement, a hut and rations being allowed in addition to the money wages :

Married couples . . .	£47 : 10s. per annum.
Labourers . . .	17s. 6d. per week.
Shepherds . . .	£29 per annum.
Carpenters . . .	£55 ..
Blacksmiths . . .	£55 ..

It will be seen that labourers are quoted at so much per week ; this is an indication of the reluctance of predial workers to engage themselves for long periods, as, like all other workers, they were on the alert to take wing to the diggings at short notice. The figures quoted represent the rates at a given time : in a week or two they might be changed and entirely different rates demanded. Thus in November 1851 mowers were paid 3s. 6d. an acre, and haymakers 12s. a week ; at the beginning of December the rates had changed to 4s. 6d. and 17s., and before the end of the month to 6s. 6d. and 22s. 6d. Labour for the harvest was very difficult to procure even at the advanced rates. Pastoralists were also in difficulties, but, at the close of 1851, there was a scarcity of water on the goldfields, and the washing of the gold dust could not be proceeded with ; a good deal of labour was thus released, and men worked for 16s. to 20s. a week sheep-washing, and 16s. per hundred shearing. To some districts remote from the fields the men did not return, and it was found necessary to call in the help of the aborigines, who were found very useful. By one means or another the harvest of 1851 was gathered in, the sheep shorn, and the clip brought to Melbourne or Geelong to be carried to England.

From the beginning of 1852 wages rose rapidly, and the yearly engagements, which had been theretofore customary, became extremely rare, as men declined to bind themselves for twelve months, when they might at any moment find the call of the goldfields too strong to be resisted. In April 1852 mechanics in the building trades earned from £4 to £5 per week, and unskilled labourers 10s. per day. Wheelwrights and blacksmiths were in great demand, and their earnings are stated to have been about £6 per week. The demand for the services of tailors and bootmakers far exceeded the supply, and their wages stood correspondingly high. Bootmakers received 40s. a pair for making Wellington boots, a kind almost indispensable to travellers on the frightful roads. This was twice the price paid for the same class of boots in 1850. Amongst the earliest to fly to the goldfields were the clerks employed in Melbourne, and to retain the services of any man his salary had to be doubled. Bakers earned from £4 to £5 per week, and their labour was a serious item in the cost of bread. Farm labourers earned 25s. to 30s. per week with the usual hut and rations. Shepherds were paid £30 a year, but only men past hard work would take such wages or such employment. Wages continued to rise during the year, and, in spite of a considerable immigration, labour was very difficult to procure or retain. At the close of 1852 masons were earning 25s. per day, bricklayers from 22s. 6d. to 25s., wheelwrights from 22s. 6d. to 27s. 6d., blacksmiths 20s. to 25s., carpenters 20s. to 30s.; in very few trades did the average fall below 20s. a day. Piece rates rose proportionately to daily wages. Brickmakers who had formerly been paid 16s. now received £4 to £5 per 1000 bricks.

There was some sort of a standard of wages for town workers, but for country workers there was none. In some places the wage of a farm hand was 25s. a week with rations, etc., but in Gippsland men were paid 40s. a week: shepherds received 20s. at Portland Bay and 40s. in Gippsland with rations, etc. Reapers earned 20s. an acre, and shearers 30s. per 100 sheep shorn.

The effect of the gold discoveries on sailors' wages was very marked. During the later months of 1851 there were many desertions from incoming ships, and on 6th January 1852, out of the 1036 men who formed the original crews of 57 ships then in Hobson's Bay, 509 had deserted, and there was a general suspicion that, given an opportunity, many of those who remained would desert also. Notwithstanding this, crews could have been procured for the homeward voyage, but the pay demanded was from £80 to £100 for the trip; this the shipmasters could not pay, and a long line of sailing ships remained in Hobson's Bay, waiting for crews to take them to England. During the whole of 1852 the difficulty in regard to procuring crews for the homeward voyage continued, but it was still largely a question of wages. In spite of such precautions as they were able to take to prevent desertion, the masters of vessels arriving in Hobson's Bay were unable to retain the crews at the wages for which they had shipped in England. The owners became greatly alarmed, and suggested that crews of lascars should be taken from India to man the ships, which were lying deserted in Hobson's Bay. The matter was referred by the Home authorities to Latrobe in June 1853, but he replied that the difficulty had been overcome, and added that it had never been so acute as had been believed in England. The pay of sailors was then about £40 for the voyage to England.

At the end of 1852 it became once more possible to procure labour in most of the trades, owing to the extensive immigration that had been going on during the year, but wages did not fall. As the year 1853 advanced a great change took place in the economic conditions of Victoria. Before 1853 gold-digging had almost paralysed every other industry; in that year there was very great industrial activity, as the colony had set itself to provide for the new conditions. In Melbourne building went on with the very greatest activity; road boards were formed, and road-making was undertaken on a great scale; water-works and railways were also begun. The smaller industries, like

tailoring, bootmaking, saddlery and others depending on imported material, languished ; it was naturally cheaper to import goods ready-made than to import the leather, cloth, or other material, and work it up, when labour was at 20s. to 25s. a day. Agriculture also slackened, for in the then condition of wages hay was the only crop that could be grown to pay the farmer. The great demand for labour during 1853 raised wages to a very high level, in spite of the immense immigration which was taking place. Masons on piece-work sometimes earned 35s. a day, and the usual earnings were £6 to £8 per week ; the earnings of other building mechanics were nearly as high, while brickmakers, sawyers, and quarrymen shared in the general advance. The wages of domestic labour advanced steadily during the year. The Emigration Commissioners were sending out women, fit for domestic service, in very large numbers, but a large proportion of these married almost as soon as they arrived ; while the number of families in a position to hire servants had greatly increased, owing to the general diffusion of wealth due to the enormous gold production. In February 1853 cooks and laundresses could obtain £35 to £40 per annum in Melbourne, and no capable woman servant could be had for less than £25. Men servants obtained from £10 to £60, but they were not numerous.

About September 1853 there were some signs that the labour market was becoming overstocked, but these disappeared as the summer advanced. In January 1854, 35s. a day was quite a common wage for masons and bricklayers in Melbourne ; 27s. 6d. for carpenters, 20s. to 25s. for wheelwrights and blacksmiths, and 20s. for plumbers. Sawyers could obtain 40s. per day at piece-work, and to unskilled labourers, for whom there was always a great demand, 10s. to 12s. a day was paid. These rates continued, with little abatement, during the first six months of 1854, but there were already signs of an impending commercial breakdown. In July speculative building, which had been a marked feature of the preceding two

years, practically ceased, there was acute depression in commercial circles, and many stores were closed. At such an inopportune time, the Government found it necessary to reduce very greatly the number of its employés and to curtail its expenditure on public works. Coincidentally there was a general and rapid fall in wages, which at the time was attributed, by those who voiced the opinion of the working classes, to the action of the Government. The situation was undoubtedly aggravated by the retrenchment policy pursued by the Government, but such policy was by no means the cause of the fall in wages. The causes which led to the great decline in prices that occurred at this period are discussed elsewhere, and it can hardly be doubted that the same causes operated to produce a decline in the price of labour. As the year 1854 drew to a close the industrial position grew worse, and there was a considerable amount of unemployment in Melbourne. On 6th October 1854 a body calling itself the "Labour Committee" was formed "to ascertain the nature, cause, and extent of the present depression of the labour market." Early in November this body summoned a public meeting at Flagstaff Hill, to hear its report on the condition of the labour market. At this meeting it was stated that 600 able-bodied men, chiefly masons and carpenters, including 316 married men with 743 children dependent upon them, were unable to find employment, and were living on their savings or on the charity of their fellows. The Labour Committee advocated a change in the land system as a remedy for the evils of the day, and recommended the publication of a newspaper in the interests of the operative class. The proposed newspaper was to contain correct reports of wages current in the colony, so that intending immigrants in England should know what to expect on their arrival in Victoria. According to the report of the Committee the wages of competent mechanics were only from 12s. to 15s. a day, and of ordinary labourers 8s., while the reduction in the cost of living was by no means commensurate with the great fall in the earning power of

labour. There was undeniably a good deal of unemployment, especially amongst building mechanics, but the Labour Committee undoubtedly exaggerated the fall in wages. In December 1854, masons, bricklayers, and practically all building mechanics were earning from 15s. to 20s. per day; the reduction in the wages of the previous year was about one-third, and affected all trades. Even the pay of sailors for the return voyage to England dropped to about £25 or £30, and predial labour was also affected, the wages of shepherds falling to £37 a year, good shearers earning 20s. per 100 instead of 30s., and reapers 18s. an acre. The Immigrants' Aid Society, which had been formed some time previously, opened a register of the unemployed. There was even some actual distress, and various charitable societies were busily employed endeavouring to relieve the most pressing cases. During the harvest months, December 1854 to March 1855, there was some improvement in the amount of employment available, but as the year 1855 advanced labour conditions grew decidedly worse, so that towards the middle of that year the working population, especially in Melbourne, was greatly perturbed as to the prospects immediately ahead of it. Wages were cut down in all directions in spite of the efforts of the workers. Considering the industrial conditions, it would manifestly have been impossible to maintain the rates current in 1853, but, besides this, the workers were unorganized and could offer no effectual resistance to the action of their employers, which tended to go far beyond the necessities of the case.

One of the most interesting trade disputes of the time was that in the printing trade. As the result of a successful strike in July 1853 the compositors had obtained an increase from 1s. 6d. to 2s. per 1000 ens. which was afterwards brought up to 2s. 6d. This rate continued unquestioned until December 1854, when the employers proposed to reduce it to 2s. The Typographical Association, on behalf of the compositors, objected to the reduction, and the men went out on strike in January 1855. The strike

lasted but a short time, the men gave up the struggle and accepted the lower rate, at which they could still earn from £5 to £7 a week without overtime. During this dispute some of the men agreed to carry on the *Age* newspaper, on their own account, but the project proved unsuccessful after a very short trial.

The diggings had still manifold attractions for the enterprising and strong, and many workmen left Melbourne and the other towns to try their fortune on the goldfields; but their places were filled by immigrants who were arriving in large numbers at this period. After March 1855 the conditions of employment in Melbourne grew rapidly worse, and the number of men out of work was greater than ever. These unfavourable conditions lasted through the winter. There was a growing feeling, amongst the men who were out of work, that the system of holding and alienating land was the problem lying at the root of unemployment, and this view was put forward at a large meeting held on 8th August 1855. Meanwhile, however, the men desired work. Further meetings were held and the Governor was petitioned to establish relief works; the number of men to be provided for, as stated by the Labour Committee, was 1966, of whom 884 were single, while the rest had 2255 women and children dependent upon them. The Governor was sympathetic, and appointed a committee to ascertain the extent of the unemployment, at the same time authorizing it to offer work, in the clearing and forming of public roads, to those who could not otherwise obtain employment. This committee examined witnesses and made independent inquiries regarding the conditions of employment. Only 304 men applied for work, and less than half that number accepted it when it was offered them. The committee reported that the distress had been exaggerated, and that, while employment was difficult to obtain in some branches, many employers were unable to procure the labour they required. It was to some extent a question of wages, the men being reluctant to accept the lower rates which employers offered them.

This was doubtless a correct summary of the position, but it is obvious also that employers were endeavouring to reduce wages below a standard which would enable a man with a family to maintain them in reasonable comfort, taking into consideration the high prices of commodities. There was the usual disposition, on the part of critics of the unemployed, to impute to them that the last thing they desired was to find work. It is true that not one in fifteen of the reputed unemployed accepted the employment offered, but it should be remembered that the larger number of them were skilled mechanics, who felt that they might be sacrificing the chance of obtaining work at their trades, if they were to quit Melbourne, and, in any case, the work offered by the Government was rough labour on the roads at about 6s. 9d. a day. Commenting upon the rate paid on relief works, the committee appointed by Governor Hotham declared that "it was not calculated to support men who have large families, though sufficient to relieve them from the state of semi-starvation in which some of them now exist, till the present distress is relieved." The committee advised that public labour bureaux should be opened in connexion with the immigration depots, and that, as soon as the new constitution was in operation, the revenue that had been applied to immigration purposes should be used in opening up the resources of the colony. Wages reached their lowest point in August 1855, when stonemasons of the best class received 10s. a day and others only 8s.; the wages of plasterers were commonly 9s. a day, of bricklayers, painters, plumbers, and glaziers about 12s., and of carpenters 13s. 6d. The wages of compositors on piece-work had fallen back to 1s. 6d. per 1000 ens. Many skilled workers, unable to obtain employment at their trades, left Melbourne for the diggings, or accepted employment as unskilled labourers at about 7s. 6d. a day. Even the wages of domestic servants were affected; the best class of women were paid £30 a year, and others from £20 to £25.

In November 1855 there were on every hand signs of

improvement both in trade and in labour conditions. The first to feel the improvement were navvies and general labourers, for whom there was a considerable demand on roads and railways, the construction of which was being vigorously prosecuted. A few months had so altered the labour position that the men employed on the Williamstown and Melbourne railway construction works were able to strike successfully against a reduction in wages, and even to secure an increase from 8s. 6d. to 9s. per day for shovelmén and from 9s. 6d. to 10s. per day for pickmén. With the improved state of employment at the beginning of 1856 there was a movement on the part of manual workers to obtain an eight-hours day. The leadership was naturally taken up by the stonemasons, who were strongly organized as a trade union, and most of whom were already familiar, in England, with the movement for shorter hours. It was the stonemasons who, a little later, headed the agitation in New South Wales.

The bad times of 1854-55 had impressed the skilled mechanics of Victoria, especially those of Melbourne, with the idea that regular employment was better than very high wages. They also felt that a reduction of one-fifth in the hours of labour would enable employment to be given to a larger number. On 26th March 1856 a public meeting of employers and employed in the building trades was held to discuss the question of the hours of labour. At this meeting representatives of the masons, bricklayers, carpenters, joiners, slaters, and sawyers were present; so much progress had the eight-hour movement made, that the only question at issue appeared to be the date at which the reduced working day should come into operation. The masons demanded that the date should be 21st April, and there were threats of a strike if the shorter hours were not conceded in a month. After this public meeting, sectional meetings of the different trades were held during March and April. Up to this time the masons alone had been regularly organized. They had formed a society in Melbourne some months before which numbered 250,

and there was also a branch at Collingwood, which contained about 150 members. On 1st April the carpenters and joiners met and formed the "Carpenters' and Joiners' Progressive Society," whose object was "to establish unity of feeling and action in the great movements which will tend to advance their intellectual and moral improvement." The Society was to establish a "house of call" for the trade, which would act as an employment bureau for members. Meetings of the plasterers, slaters, and other less numerous trades, were also held and trade solidarity was agreed to. There was naturally reluctance on the part of some of the employers to concede the short day to their workmen, but this did not show itself in active opposition, and the principle of an eight-hour day was conceded without a real struggle. That the men would have proceeded to extremities may be assumed from the action of the masons at work on the new Houses of Parliament, who left their work for a few hours under the impression that the contractors had refused to adopt the shorter day, returning as soon as they learnt that such was not the case.

On 21st April there was a public procession of trades interested in the eight-hour movement "formed entirely of individuals who have obtained that great blessing." The mechanics did not submit, as in Sydney, to a reduction of wages on account of the shorter hours. They believed that they could have enforced either a rise in wages or shorter hours at their option, and they preferred the latter.

The success of the mechanics of the building trades in securing a shorter day emboldened other classes of workmen to strive for the same concession. On 25th April 1856 the quarrymen met and adopted a resolution "that this meeting considers eight hours a sufficient day's work for a quarryman, and hereby pledges itself to work no more." A committee was appointed to carry the resolution into effect, and to draw up a code of rules "whereby the quarrymen may be united as one man to abide by the eight-hours system, and to be determined, should the state of the labour market permit, to receive the same

amount as at present." On 30th April the saddlers and harnessmakers, and a few days later the labourers employed by the general Government and by the municipalities on the roads, demanded and obtained an eight-hours day. There were a few trades yet to be won over, and there were still to be a few sharp struggles before the principle of the eight-hours day was accepted as irrevocable, but from 10th May 1856 it may be said that the system became general throughout the Melbourne district.

The short day had not been conceded many weeks before the employers considered they were over-hasty in accepting it. At the end of May the master coachbuilders issued a notice stating that they would not continue the shorter hours without a proportionate reduction in wages, and a strike ensued in which the men were successful. Some of the master saddlers also endeavoured to return to the ten-hour day, as they said it was impossible to compete with imported goods, but the men remained firm and the masters did not proceed to extremities. The engineering trades proved an exception to the general rule, and with the consent of the men the longer day was reverted to; it was alleged that otherwise the Melbourne shops could not compete with those of Sydney, which worked ten hours a day. The engineers were the only important trade that went back on the eight-hour movement.

Having secured the boon for the workers in the Melbourne district, the leaders of the movement determined to extend it to the centres of population in the country districts. The masons' committee entered into communication with workers in Geelong, Portland, Bendigo, and Ballarat, and the movement was vigorously taken up in those places, with such effect that, before the year 1856 had closed, eight hours was generally recognized as the length of the working day throughout Victoria.

The reports of the meetings that preceded the establishment of the eight-hours system in Victoria throw an instructive light on the inspiration of the leaders of the movement. These leaders were men who had already

taken, in the United Kingdom, a considerable interest in trade unions. This was notably the case with the stonemasons and the engineers, who took a chief part in promoting the agitation. Large numbers of the masons originally belonged to the English Society of Operative Stonemasons, with which constant communication was maintained, and whose members carrying "clear cards" were admitted at once to the fellowship of the Victorian Society. As a result of the great strike amongst the engineers in England during 1852, about forty of the leaders were denied work by the employers and were assisted to emigrate by Vansittart Neale, who lent them £1030 for the purpose. A large number of these men went to Melbourne, where they set up a branch of the Amalgamated Society. It is interesting to note that, in 1894, there were three survivors of the original band who landed in Melbourne forty-two years before, Poolman of Port Melbourne, Davies, then chief engineer of the s.s. *Julia Percy*, and Allen of Essendon, who died in May 1894. These exiles were a great source of strength to the trade union movement in Victoria, during its early and critical stages. It is evident also that amongst the immigrants who came to the colony at this period, without aid from the Government, were a large number of working men of very great energy and advanced views, who were likely to lend themselves to a movement of this kind, when they had had time to establish themselves in their new country. It is evident, too, that the eight hours day was won not merely through the determination of the labouring classes, but because public opinion was very strongly in favour of the change. Large numbers of professional persons, clergymen, doctors, and others supported the movement and helped it to rapid success.

In this discussion of wages and labour in Victoria no reference has so far been made to the goldfields districts, where the conditions were of so special a character that the rates of wages differed considerably from those paid in other parts of the colony. During 1851 and the following

year, very few men could be got to work at their trades on the goldfields ; such labour, as was to be had, was the casual labour of disappointed diggers. In March 1852 an ordinary labourer could easily earn from 10s. to 15s. per day, and in June from 12s. 6d. to 16s. Mechanics such as blacksmiths, wheelwrights, and carpenters were offered about £3 a week in February 1852, £6 : 10s. in March and April, and £7 : 10s. in May ; but amidst the rumours of wonderful discoveries made on all sides it was difficult to get men to undertake steady work. All other trades in demand on a goldfield were paid on somewhat the same scale. Before the gold rush a man was paid 5s. or 6s. for shoeing and supplying a set of shoes ; in March 1852 his price was 25s., and in May 30s. or even 40s. There was naturally great variation in the labour supply on the different goldfields, and this would have affected wages, had there not been a general consensus of opinion amongst workers as to what should be paid them. This was something above Melbourne rates. There was also the resource, open to all, to leave regular paid work and adopt the life of a fossieker or prospector. During the latter part of 1852 labour became more plentiful on the goldfields, but this did not affect wages. Unskilled labourers were paid 10s. a day, carpenters and other mechanics 17s. 6d. to 20s., and blacksmiths about 22s. 6d. These rates increased during 1853, and at the end of that year the daily rates at the chief diggings were :

	Bendigo.	Castlemaine.	Ballarat.		Ovens.
	s.	s.	s.	d.	s.
Labourers .	10	9	14	0	20
Carpenters .	25	21	27	6	28
Bricklayers .	25	25	27	0	25
Tentmakers .	15	15	17	6	15
Blacksmiths .	30	31	30	0	35

During 1854 there was a further increase in some trades and the rates in all the others were well sustained ; an unskilled labourer would have thought very poorly of himself if he had accepted less than 10s. 6d. a day, and a

skilled mechanic if less than 25s. The labour of mechanics was very scarce, and in some of the outlying diggings the wages were far higher than those quoted above.

During 1855 the supply of labour on the goldfields was augmented considerably, though for the first six months of the year the rate of wages remained unaffected. But trade was in a bad condition in Melbourne, and in October the effect of the overflow of superfluous labour from that city, accompanied as it was by a reduced output of gold, was to lower wages in the skilled trades, the pay of unskilled labourers remaining unaffected. On the five principal fields the average rates were :

	Bendigo.		Castlemaine.		Ballarat.		Ovens.		Avoca.	
	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>	
Labourers	10	0	13	4	12	21	0	10	6	
Carpenters	17	6	15	6	20	27	6	17	6	
Sawyers	17	6	20	0	20	27	6	20	0	

The Ovens district, in which very high wages were still paid, was remote from Melbourne and difficult to reach. The cost of living on this goldfield was much higher than on any other field, and the wages on that account proportionately higher. At the close of 1855 the wages in all occupations showed a still greater decline. On the principal goldfields day-labourers received 10s. or 11s. a day and skilled mechanics 17s. or 18s.

So far nothing has been said of the men actually engaged in the search for gold, and it is naturally very difficult to form any estimate of the average earnings. The largest yield of gold recorded in the official returns was that won in 1856, which was valued at £12,000,000, but there is every reason to suppose that the actual value was greater and exceeded £15,000,000. The probable average number of miners seeking gold for that year was about 35,000, so that the average per man was £430; a contemporary calculation fixes the earnings at £42 : 10s. a month, which is even higher than the figure just arrived at. It would be fruitless now to speculate as to the number of men who obtained such a handsome return as the average would

imply, but the earnings of labourers in other employments may be some guide to those of the miner. It was open to any one to take up mining as a pursuit; the length and breadth of the colony were available to him, and most of the able-bodied and enterprising men of Victoria had engaged some time or other in the search for gold. The hardships of the life were great and the winnings precarious, so it may be assumed that the men who left gold-mining and went back to prosaic life at bench or workshop, while probably abandoning the uncertain for the certain, gave up the more remunerative occupation for the compensations of a home life. During the heyday of gold-mining in Victoria, a carpenter in full employ, which was a very easy matter to obtain, could earn £400 a year and a common labourer half that sum; so that it is not unreasonable to suppose that miners' earnings ranged between a minimum of £200 a year and the enormous sum, which lucky diggers were able to secure for themselves from a very small claim.

Down to the year 1855 diggers were accustomed to work for themselves in parties of from four to a dozen, but five years of vigilant prospecting by many thousands of men over a comparatively small area exhausted the surface gold, and after 1855 there was a decided change in the character of mining. Fossicking and working in small parties continued, but deep sinking became the rule on the larger fields. To carry this on capital became necessary, especially where the material containing the gold was quartz, which had to be crushed and treated in a special way. The result of the change was that year by year a larger proportion of the men on the fields became wage-earners or worked on the tribute system. Where wages were paid, the ordinary daily pay of a miner was, at the end of 1855 and the beginning of 1856, about 14s. a day.

When the gold discoveries were first made, the diggings were isolated and difficult to reach from Melbourne, owing to the almost entire absence of roads. The workers on the fields were subject to different conditions from those

in the towns, and their wages and pay had necessarily the characteristics of their isolation. In 1856 the gold-fields were no longer cut off from the capital and the sea; fairly good roads made communication with Melbourne easy, and thenceforward prices and wages became assimilated to those of the other settled parts of the colony.

Taking Victoria as a whole, it may be said that the year 1856 was a fairly prosperous one. Commerce had recovered from the depression of 1854-55, and agriculture was making a great advance and offering an increasing market for labour. Nevertheless, in no industry was labour in such demand as to raise wages to the level of 1854. Amongst skilled workmen, masons and carpenters were most in demand, their average daily wage being 16s. 6d. Bricklayers were at the bottom of the scale with 12s. a day: the wages of other trades ranged between these figures. Navvies on the railway works were paid at the rate of 9s. for shovelmen and 10s. for pickmen; ordinary unskilled labourers received 8s. a day.

The year 1857 was a very trying one for the working classes in Victoria. The reviving prosperity of 1856 had stimulated hopes of a return of higher wages and constant employment. It was expected that the Government would begin at once to construct the great lines of railway, and thus increase the demand for labour. This expectation was encouraged by the action of the Government in re-introducing its scheme of assisted immigration, under which large numbers of able-bodied men began to arrive from the United Kingdom. The Government did not press on with railway construction; owing to want of rain, the demand for agricultural labour ceased; and, when the winter came on, it soon became evident that the supply of labour exceeded the demand. There was, however, no reduction in the nominal rates of wages, which remained the same as in the preceding year, but it was very difficult for men to find employment at those rates. During April meetings of the unemployed were common in Melbourne.

and in June it was admitted, on all hands, that steps must be taken to deal with the unemployment. The *Argus* newspaper published special reports on the labour market in different parts of Victoria. The existence of extensive unemployment was admitted, but those who represented the views of the employers urged that "if the unemployed would accept ten shillings a week and rations, there would be more demand for them than could be supplied." The labourers were not prepared to accept such rates. On the goldfields wages were considerably higher than in Melbourne, but there was more labour offering than could be absorbed. At Ballarat mechanics obtained generally from 17s. to 20s. per day, and at Bendigo the same rates were paid, while men employed on the puddling and quartz-crushing machines were paid about £4 a week; but these were nominal wages, as unemployment or partial employment was common.

The unemployment in Melbourne was greatly increased by the arrival of assisted immigrants, who came in large numbers from England, and in April 1857 a large meeting was held to protest against the continuance of immigration assisted from the public funds. At this meeting it was stated that mechanics were only working on an average four days a week. In May there was a slight improvement, but afterwards matters grew worse, and there were insistent demands, on behalf of the unemployed, that the Government should put in hand various important public works, so as to absorb those who were out of employment. Early in September the Minister for Lands and Works received a deputation of the unemployed, headed by the President of the Working Men's Association. The deputation declared that during August and September there had been more destitution in Melbourne than at any time since the gold discoveries. Thousands were said to be out of work, and, though many of these were men unfitted for colonial life, many were mechanics. Seven hundred masons were reported to be unemployed; other building mechanics, as well as labourers, carters, and blacksmiths

were also suffering severely. The Government decided to offer work of a simple character to all who would care to take it, and arranged to have some land at Melbourne levelled, 6s. a day being offered to the men employed. About 300 men were taken on for this work out of over 700 applicants; but later about 900 others were employed on works of a similar character in different parts of Melbourne, the Legislative Assembly voting £25,000 to defray the cost of these works. At the same time the Government, being desirous of relieving Melbourne from the pressure of the unemployed, offered to take suitable persons into the country districts and support them there for a reasonable time, until they found employment. Very little advantage was taken of this offer, for then, as always, men who have established themselves in a city exhibited the greatest reluctance to leave it and take up work in the isolation of the bush. The harvest season brought some relief, but, early in 1858, it was clear that the difficulty of large bodies of men in obtaining employment was as bad as ever. In March a meeting was held to organize the unemployed. The *Argus* reported that "much destitution and suffering" existed in Melbourne, and at the beginning of April the Government once more opened relief works, paying the men at the rate of 4s. a day, providing them also with wood, water, and tents, and before the end of the month some 800 men had applied for work on these terms. In June a commencement was made with the Government railways to connect Melbourne with the goldfields. The opening of these works had been keenly looked forward to, in the hope that they would absorb the greater part of the unemployed, but the labour market was very little relieved, as the number of men employed at first was quite small.

The news of the Port Curtis gold discoveries raised great hopes that relief had at last arrived, and about 7000 men actually sailed from Melbourne for the new goldfields. But most of these returned speedily, and many of them, as well as others who had come to Melbourne from the country

districts, with the intention of sailing, remained stranded in that city.

There was a slight decline in the nominal rate of wages during the years 1857 and 1858, but it was by no means so great as might have been expected. There was a general belief amongst workers of all classes that the depression in employment was merely a passing phase that would soon be dissipated, and for that reason they would not accept great alterations in wages. Throughout the year 1857, and in 1858 also, there were constant trade disputes and some important strikes. In January 1857 the compositors struck for 1s. 6d. per 1000 ens instead of 1s. 4d. and obtained it; though one of their number was imprisoned, under the Masters and Servants Act, for inciting men to leave their employment. In October about one hundred stevedores at Sandridge struck for 12s. per day of eight hours, but they were quite unsuccessful, as the employers had no difficulty in replacing them at once. During 1858 there were several disputes about wages, but the question of the eight-hours day was even more prolific of strikes. Seeing the amount of unemployment existing, the employers in many trades made a strong effort to secure a return to the ten-hours day. The working classes, however, showed the greatest determination not only to retain what they had won, but to extend the rule to other trades. In September the shipwrights and mill-sawyers obtained a forty-eight-hour week in place of fifty-eight hours, the men giving up six hours' pay. The engineers and ironworkers also obtained the eight-hours day, after a short strike, submitting to a proportionate reduction in wages.

The men employed upon the Government railway works were in a state of great unrest during 1858 and 1859. Their principal grievance arose from the fact that, in spite of a clause in the contracts which forbade the contractors to pay wages, either directly or indirectly, otherwise than in the coin of the realm, the truck system existed in many places. Sub-contracting was also prevalent, and the men

complained that it led to many abuses and to irregularity in the payment of wages. The men obtained some relief from their grievances, but the relations between employers and employed remained unsatisfactory, and were not improved when it was found that the contractors had written to John Bright (who had been speaking on the condition of the English working classes), stating that employment could readily be found in Victoria for 1000 masons and 2000 navvies. The masons of Victoria, afraid lest this should lead to rapid immigration from England, and believing that the contractors had sent over an agent to secure labour, hastened to lay their case before the English Society of Operative Stonemasons. They sent over £50 at the same time, with instructions that it should be spent in "stopping any one from coming here until the strikes are terminated. We suggest you engage a suitable person who can speak well, give him all the information you possess . . . and instruct him to dog the agent about from place to place, and hold meetings for the purpose of exposing the transaction and letting the public know the state of trade." The strikes referred to in the letter of the Victorian masons arose from various causes. There were strikes against sub-contracting, to which the masons strongly objected; against the attempts made to reduce the wages at Ballarat, which had been 20s. a day, to the level of those at Geelong, viz. 16s.; and against the persistent efforts of the contractors to reintroduce the ten-hours day.

These strikes began in November 1858 and lasted intermittently throughout the following year. The contractors sent an agent to Germany who engaged 450 men at 9s. 6d. per day of ten hours. The first batch of 200 German masons arrived in November 1859. They were met by the Melbourne masons who explained the cause of the dispute, from the point of view of the local union. The newcomers expressed their intention of taking no action inimical to their fellow-tradesmen in Victoria, and the Victorian masons became their hosts, until they could

settle themselves in their new homes. Although the German masons had already signed contracts in Germany, they refused to renew them in Melbourne, and nearly all of them declined to go to work on the railways. A large number sought agricultural employment, for which they were well fitted. The employers prosecuted eight of them for breach of contract under the Masters and Servants Act; these were all convicted and sentenced to the maximum penalty of three months' imprisonment. A very able defence was made for the German masons at the expense of the masons' society, which sought to prove that the Masters and Servants Act was not intended to apply to artisans and the superior class of labour. At the end of November, 200 more of the Germans arrived, and as the masons' trade union had spent £900 on the earlier arrivals, it was unable to deal so liberally with the newcomers. Many of them went to work on the railways, but they were not very competent workmen and could only be employed in setting and not in cutting the stone. The strike dragged on for some time longer, but the masons' funds grew low in spite of the special levy of 5s. a week which was made, and in the end the employers were practically victorious, except in regard to the hours of labour. On that question the opinion of the workers in Victoria was very strong.

In 1859, on the third anniversary of the attainment of the eight-hours day, there was a celebration and procession along the streets of Melbourne to emphasize the solidarity of the unions on the question of the eight-hours day, and the following trades, all of whom had obtained it, took part in the proceedings—masons, bricklayers, plasterers, plumbers, painters, labourers, working quarrymen, blacksmiths, curriers, coachbuilders, and carpenters. In October 1859 an Eight-Hours Labour League was formed to secure and extend the system, to assist in forming similar leagues in other parts of Australia, and to procure a legal enactment defining a day's labour as eight hours. The stonemasons' union, which had done so much for the

cause of labour and the eight-hours day, was now in a feeble state and a new stonemasons' union was formed, which maintained the principle of eight hours. It is evident that the new union was not prepared to take an aggressive or even a strong position against the employers, as its rules allowed sub-contracting and piece-work and professed that the union "did not dictate to employers as to the wages they shall pay to incompetent hands or to men advanced in years."

From 1858 to the end of the period, Victoria suffered from a species of commercial inanition and wages steadily declined. Very little investment of capital took place, and in the building trades, which formerly afforded so much work, there was no enterprise displayed. There was some slight industrial expansion, but the industries established, important as they were as a foundation for the future, gave very little employment; in 1861 the number of persons employed in what were termed works and factories in the official returns was 4837, 4812 men and boys and 25 women.

The wages of artisans declined in 1860 to 12s. a day for the best paid and 10s. for the majority, and in 1861 the range of wages was from 9s. to 10s. Navvies were paid 6s. 6d. a day in 1860 and 5s. 6d. in the following year. The men employed on farms and stations also had to submit to reductions in wages. The wages of a married couple employed on a farm varied from £60 to £70 a year in 1860; in 1861 these sums were reduced by £5. Shepherds' wages also fell from £35 to £30 a year. In 1860 general men farm servants earned from 15s. to 20s. a week; in August 1861 their wages were 12s. to 15s. per week. Ploughmen earned about 5s. a week more than general hands. These figures indicate a reduction of about one-third in the wages of predial workers. In the near neighbourhood of the goldfields wages were higher than those quoted, but the employers would not make long engagements and only kept their men on from week to week. In December 1859 farm labourers in the Ballarat district

struck successfully for increased wages and obtained 40s. per week.

Domestic servants were the only class whose wages were sustained during the latter half of the period. General servants were paid as a rule from £25 to £30 a year, though occasionally they could obtain only £20 to £25. Cooks and laundresses earned commonly from £30 to £35 a year. The principal change affecting domestics was that it was no longer very easy for women, without training or character, to find well-paid domestic employment. The demand for skilled women was always good, but after 1857 it was rather difficult for the inferior class of servants to find places.

In the discussion of the earnings of gold-miners for the first half of the period, it was suggested that these may possibly have averaged as much as £430 or even £510 a year. In the latter half the average was much lower. Many of the miners were employed at wages, but the majority depended upon their success in finding gold. In 1857 the following figures were given officially as the average earnings of gold-miners in the different districts named :

Average Earnings per Year per Man

	£	s.	d.
Ovens district	259	16	4
Bendigo	241	10	6
Ballarat	178	5	0
Castlemaine	131	15	0
Avoca	86	4	0

The very low rate at Avoca was ascribed to the fact that enormous numbers were on the field. At Castlemaine there was great objection to machinery, and the miners worked their claims independently without any co-operation. At the Ovens district it had been found very early that co-operative work was absolutely necessary, and to this fact the very high average gains of the miners were attributed.

It will be seen, from the foregoing account, that the

nominal wages of the labouring population of Victoria were subject to violent fluctuation during this period, and at its close were not more than one-fourth of what they were at the height of the gold fever. It will be clear also that the periods of highest wages were not always those of the greatest well-being.

The ten years of the gold period wrought a marked change in the conditions of labour, far greater than any improvement in the earning power of the population would indicate. These changes, as will presently be seen, were lasting in their effects, and amounted in fact to a complete social revolution. Many stories have been told of the wanton extravagance of the diggers during the three prodigious years 1852, 1853, and 1854, but it would be easy to magnify a passing phase into a general habit. Many of the most successful diggers came to Melbourne from time to time and wasted their gains in all sorts of folly, and there was a good deal of profuse and wasteful expenditure amongst all classes. But during these years large numbers of men passed, by their exertions and prudence, from the ranks of labourers to those of employers, and amongst the less successful thrift was not wanting. In 1850 an Act had been passed "for the encouragement of persons desirous of providing for their support in old age," which enacted that annuities, not exceeding £104 a year, which had been obtained by subscriptions, or the subscriptions for such annuities, should not be liable to seizure, and societies were required to enrol themselves in order to obtain this protection of their funds. Numerous Friendly Societies sprang up; many of them were branches of English provident societies, the Oddfellows and the Foresters, but others were purely local societies. During the years 1852-55 a number of building societies were formed, and also societies for buying plots of land. The subscriptions to these were often exceedingly high, as they had need to be in the existing state of the property market, and consequently at the end of 1854 many of the subscribers found themselves unable to continue their contributions. In 1855 an Act

was passed amending the law relating to Friendly Societies. It extended the protection given by the former Act to subscriptions for the purchase of land or property, and it authorized the appointment of a Registrar of Friendly Societies, to whom these societies might appeal for advice, in drawing up their rules and investing their funds.

Savings banks were also popular. At the beginning of the period there was but one savings bank in Victoria, which was naturally at Melbourne, but at its close there were nine savings banks, several of which were in the gold-mining towns.

The preamble to the Friendly Societies Act had declared that it was desirable "to obviate, if possible, the necessity of introducing a Poor Law," and at that time there was no organization whatever in Victoria for dealing with destitution. The conditions of the gold period soon made it necessary to provide relief for the destitute, and a number of societies were formed with that object. To some of these the Government subscribed, but the main support came from voluntary contributions, and all were under private management. It is very significant to note the strong feeling in Victoria, as in New South Wales, against State poor relief, and this may be taken as striking evidence that its evils, in the United Kingdom, were recognized by the immigrant class, as well as by the richer portion of the community. A Benevolent Society was founded in Melbourne, modelled on the Sydney Society and providing for the destitute poor, some of whom were received into a home and some relieved by the distribution of food and clothing. In 1860 there existed nine such societies in different parts of Victoria and four orphan asylums, institutions which were urgently required in a community where the risks of pioneering and gold-digging were so great. Fatal accidents amongst the bread-winners were very numerous, and, it must be confessed, desertions by fathers of their families were unfortunately all too common. An Immigrants' Aid Society was formed in 1852, which helped poor immigrants on their first arrival

and in the few trying months following upon it. Some of the trade unions gave relief benefits, but they were of a rather chance description and given as a matter of grace. In 1855 "Provident Associations" were formed in Melbourne and Collingwood. The members paid a small subscription, and were entitled to medical assistance and an allowance during sickness. These societies were not entirely self-supporting; they relied partly upon charitable contributions and were not organized entirely by the working classes.

SOUTH AUSTRALIA

The depressed condition of the labour market in South Australia, which marked the end of the previous period, continued into 1851, and in Adelaide wages tended to fall still further. Even at the beginning of 1851 the condition of labour was such that the Government felt it necessary to establish relief works, to mitigate the distress amongst the families of the men who could not find employment. In these circumstances the gold discoveries in New South Wales were hailed with great satisfaction, and although the number of men who left for the scene of the discoveries was not at first very great, their departure was a welcome relief. The first discoveries in Victoria did not attract any large body of labourers from South Australia, but towards the close of the year 1851 the exodus took on the appearance of a veritable rush, and in November it was evident that the Province would soon be face to face with a great dearth of labour. The men who left for the goldfields were at first chiefly of the labouring class, but as reports of the wonderful finds made in Victoria reached Adelaide, reports which did not fail to become magnified in their transmission, men of all occupations were affected by the gold-fever and, as in the other Australian colonies, clerks, shopkeepers, and professional men abandoned their occupations and hastened to the diggings. In the lower branches of the Government service there were very few

persons who stood to their posts : the police left the force almost in a body, the postal service was disorganized, and in all its departments the staff left behind was quite inadequate for the work. The Adelaide Chamber of Commerce, describing the condition of affairs at the end of 1851, said " The streets of Adelaide were deserted, houses were abandoned, and property became unmarketable." In the most important streets many places of business were closed, and some of the suburbs were left practically without a man in them. Business, which for a short time had been stimulated by the rise in prices in New South Wales, fell into a most depressed condition, and at the close of 1851 Adelaide was in a state bordering on panic. The country districts were not affected so rapidly or so seriously ; nevertheless large numbers of miners and farm workers made their way to the goldfields. The harvest of 1851 proved to be exceptionally abundant, farmers were afraid that they might not be able to obtain labour to gather in their crops, and, if they were gathered, that labour might not be available to get the produce to market.

In the south-eastern district, whence access to Victoria overland was comparatively easy, very few agricultural labourers remained for the harvest and the only labour available was that of the aborigines. In the districts more remote from the Victorian borders the men remained for the harvest, after which the majority of them abandoned their employment and went to the goldfields. Every other industry was at a standstill, as neither the capital nor the labour to carry on could be obtained. It was a time of extraordinary changes. At Christmas 1851 there was a general agreement in Adelaide that the Province of South Australia was blotted out and would remain so for a considerable period. Two or three months later, however, a very cheerful view of the situation was apparent. The monetary position was relieved by a generous flow of gold from Victoria, and a demand arose for all sorts of produce ; food-stuffs and building materials were eagerly

bought up for shipment, and commerce, which appeared to be on the point of drying up, flowed again in its accustomed channels. The demand for labour was very great, and in spite of the exodus that had taken place there was a supply which, if not equal to the demand, was sufficient to enable business to proceed. In the circumstances, as was natural, all wages rose considerably. During the first quarter of the year 1852 unskilled labourers earned 4s. to 5s. a day, during the last six months they obtained 6s. to 7s.; the wages of mechanics at the beginning of the year were from 6s. to 8s. a day, according to their trade; by September the rates were from 10s. to 12s., and later still from 12s. to 15s. The wages of farm labourers shared in the general improvement. In January 1852 single men were usually paid £28 a year, with hut and rations, and married couples from £40 to £45; in December of the same year single men would not hire themselves at less than £40 a year, and £50 was not infrequently paid; but the rate for married couples did not rise above £55 a year.

In Port Adelaide, as in every Australian port, sailors from every ship arriving from Europe deserted and made their way to the Victorian gold-diggings. From August 1851 to July 1852, 303 desertions were reported, and there were numerous other cases in which no report was made. The port authorities at Adelaide were agreed that for these desertions the shipowners were greatly to blame. The magistrate at Adelaide, reporting on the subject to his Government, declared "the adoption of a somewhat increased rate of wages in some degree proportionate to the rate existing at the port to which the vessel is bound would very much tend to check desertion. . . . This remedy the shipowners have in their hands, and the long experience which many of them have had of the difficulty of retaining their crews, even before the existence of the irresistible attractions of the Victoria goldfields, must have convinced them how inefficient the most rigid enactments are when high wages with constant employment

come into competition with a comparatively low rate of remuneration."

Before the expiry of the year 1852 the labour position in South Australia had so far changed, that there was no longer any hesitation on the part of capitalists in undertaking new enterprises, as the immigrants who remained in the Province and the returned gold-seekers formed a sufficient body of labour to deal with all ordinary business operations. Men were still leaving for the goldfields, but not in such large numbers as earlier in the year, and for a time the exodus to Victoria was suspended while people turned their attention to Echunga, 23 miles from Adelaide, where gold had been discovered. The find, however, proved unimportant. The field did not absorb much labour and emigration to Victoria commenced again.

During 1853 wages continued to rise steadily. Every kind of labour was in demand, and the Emigration Commissioners were urgently asked to send out agricultural labourers, mechanics, and female domestic servants. In 1852 the latter had received from £14 to £20 a year according to their skill; in 1853 £20 was the lowest rate offered, and experienced women could obtain considerably more. At the beginning of the year 1853 masons' and bricklayers' wages were 12s. to 14s. a day, but before the year closed less than 16s. would not be accepted; carpenters' wages rose from 12s. to 14s., and blacksmiths' from 15s. to 17s. a day. Day labourers in general earned 6s. or 7s. a day at the beginning of the year, but 9s. was the usual rate before the year closed. The mining industry of South Australia received a severe check through the departure of nearly all the skilled miners, who naturally felt strongly the call of the goldfields. The Burra Burra mine employed some 1042 men in 1851; these were reduced to about 100 towards the end of the following year, and the mine was only saved from being shut down by the timely discovery of singularly rich ore in shallow workings, which the management was able to get out with the aid of unskilled labourers, paid at the rate of

7s. a day. Agricultural and pastoral labour was much dearer than at any previous period. The wages of single men as farm servants rose from £45 a year to £60. In January 1853 harvest hands were paid 7s. 6d. a day, but when the new harvest commenced in the following November the wages rose to 25s. and 30s. per acre reaped, equivalent at that time to about 8s. to 8s. 6d. per day. The wages of shepherds rose nominally from £35 to £50 during the year, but there were few able-bodied European shepherds remaining in the country. The work of tending, shearing, and dressing sheep was done very largely by aborigines, who were paid at the rate of 12s. a week with rations. In some districts no white shepherds were to be found.

In some trades, amongst which tailoring and shoemaking may be instanced, the rates of wages rose nominally to a very high level, which as a rule proved purely fictitious. Shoemakers during the early part of the year demanded and received 15s. a day, but as the shoemakers' work was almost entirely repairing, it became so expensive that customers found it cheaper to buy new boots than repair old ones, so that with their high nominal rates shoemakers could find very little employment, and before the end of 1853 wages dropped to 9s. a day. In the tailoring trade matters were somewhat the same; wages rose to 9d. an hour, but as every one about them seemed to be getting very high pay, the tailors put no limit to the upward movement of their wages, and 1s. 6d. and 2s. an hour were talked about; eventually 1s. was accepted.

During the first few months of 1854 employment was still very good, and wages were even higher than in 1853. On 30th March the Governor reported that day labourers were receiving 9s. to 11s. per day, and that building contracts were almost impossible of execution. Contractors were unwilling to tender for work which would extend over any lengthened period, because of the uncertainty as to the supply and price of labour. He added that employers were beginning to discuss the advisability of introducing

German labour, and even Indian and Chinese, as they found the supply from the United Kingdom was inadequate; but the large number of assisted immigrants arriving shortly afterwards more than supplied the labour market, and as the year advanced employment was not so easy to obtain. In June 1854 the employers in the building trade suggested a reduction of wages for masons and bricklayers from 16s. to 14s. per day. The leader of this movement for reduction was a subordinate Government official. Although this man was afterwards censured for his action by the Legislative Council, the Government nevertheless sympathized with the other employers of labour and manifested a great objection to paying high wages on public works. It had already applied to England for a body of engineers to be sent out, in order that they might be employed on various public works urgently needed. By bringing out soldiers as workmen, the Government thought to avoid competing with the ordinary employers in the local labour market, and also to prevent any demands for increased wages, but the British Government, realizing the requirements of the time better than did the Australian authorities, refused to send the men out, and the proposal was not further proceeded with. On their part the mechanics of Adelaide began a counter-movement for a shorter working day. Meetings were held in July and August 1854 at Adelaide and at the Port, at which an eight-hours day was advocated in place of the ten-hour day, which was customary; at these meetings also the strongest opposition was shown to the proposed wage reduction.

Up to this time no trade union had been organized in South Australia, but to meet the threatened reduction of wages a Working Men's Association was formed among the members of the building trades, and subscriptions were collected to support any men who should be compelled to leave their employment. As the employers persisted in forcing a reduction of wages in the building trades, a strike was the result. The strike began in August 1854, and

had the effect of entirely stopping the works of the Government then in progress. Some 500 to 700 men were on strike or thrown out of employment, but the movement did not spread, and at the end of September it collapsed owing to want of funds and lack of organization. The men were obliged to accept the reduction in wages and they did not obtain any shortening of hours.

Meanwhile an important change was taking place in the general condition of labour in the Province. For the first two years after the gold discoveries South Australia was drained of its efficient labour, and though some immigrants remained in the Province, not having succumbed to the attractions of the goldfields, these immigrants did not fill the places of those who had departed. In 1853 there was much going and coming between South Australia and the goldfields, but men required considerable inducement before they could be got to settle down to steady work at either place. In 1854 the unfavourable conditions prevailing in Victoria led large numbers of workmen to go back to South Australia, and at the same time immigrants from Great Britain were being steadily poured into the Province. In these conditions there was sure to be, sooner or later, a lack of employment, but the failure of the harvest throughout the Province forced many rural workers to Adelaide and brought on the labour crisis much earlier than was generally anticipated. There was much real distress in Adelaide about this time, and the Destitute Board was compelled to assist several hundred persons, mainly women and children, while large numbers of others were living on their savings, or were dependent on private charity. In October 1854 the lack of employment was sufficiently serious to call forth a debate in the Legislative Council, but no steps were taken to deal with the matter. In Government circles the prevalent opinion was, that the difficulty in regard to employment would soon right itself, and in any case it would be unwise to undertake public works in a small place like Adelaide, to provide for the

unemployed, while immigrants in large numbers were arriving as well as considerable bodies of men from Victoria. At the close of 1854 the wages of mechanics stood nominally at 12s. to 14s. per day, of general labourers at 7s. to 9s., and of miners at 5s. to 8s. The large range between minimum and maximum wages indicates the struggle of workmen already established in Adelaide to maintain their position and the willingness of new arrivals to take lower wages. Single men on farms were usually paid £43 a year, and married couples £52 : 10s., with rations and hut accommodation.

Labour conditions grew much worse with the year 1855. Immigrants were brought to South Australia in larger numbers than at any previous period, 13,400 being the total for the year, as compared with 8824 in 1854 and 4583 in 1853; while the bad harvest and the continued depression in Victoria diminished the opportunities of employment for persons already in the country. As the year advanced there was evidence of much genuine distress in Adelaide. In June 1176 persons were being relieved by the Destitute Board, and in December the number had risen to 1338. During the whole year 5387 separate persons, chiefly women and children and infirm and aged men, received relief from the Board: this was eight times as many as in the previous year. Many others would have been compelled to seek help from the Destitute Board, had not the Government opened relief works and thus provided for the able-bodied men. In finding work for the men the Governor stated that he kept two principles in view, "one, that it was better to find some employment for them than none, even though such employment were to entail on the Government a greater expense than the mere cost of rations issued to them without assigning them any task. The second has been allowing labourers so employed a much lower scale of wages than that ruling in the general labour market, and accordingly, having opened a quarry and employed a number of labourers, their wages have been gradually reduced till they now (Sept-

ember 1855) range between 3s. and 4s. 6d. per day, the ordinary rate of wages three months back having been 8s. to 10s."

The unmarried men were employed in the quarries or on the Gawler Town railway. Some of the married men went to these works also, but for the majority of them employment was found in or about Adelaide. Two district councils were also subsidized by the part payment of the wages of men they took on. By these means 400 men were employed, and the funds of the Destitute Board saved from depletion.

During the year a large number of young women arrived in Adelaide from England, most of them as assisted immigrants. When they left England they were assured that domestic employment awaited them, but on reaching the Province they found that only the most capable amongst them could get work, and then only by displacing other domestics. The number of young women who arrived in 1855 would have been far in excess of the requirements of the country, if normal conditions had prevailed, but the condition of the Province was such that every one who could do so was reducing expenditure, and the demand for servants had almost ceased. The Emigration Commissioners in England had not been altogether happy in their choice of women for domestic employment, and the training of a large number of those who arrived in South Australia in 1855 was so defective that they were practically unemployable. The Government undertook the maintenance of the young women arriving as assisted immigrants, who could not find employment. Provision was made for these women at the immigration depot at Adelaide; some few were sent to depots formed in the country districts, and others remained on shipboard until provision could be made for them elsewhere. In March 1855, 96 women were lodged and fed in this way, in June 470, and in August 1100. Later in the year, as harvest approached, the number was diminished, and under the improved conditions of the following year the Government

was able to relieve itself of the responsibility and expense of maintaining the women's depots.

The measures taken by the Government in regard to unemployment did not please the working classes, who felt that the unemployment of 1855 was greatly aggravated by the number of new arrivals coming to the Province under the auspices of the Government; and the strong antagonism to any form of assisted immigration that afterwards arose may be said to have had its origin in the events of 1855. Wages fell during 1855, but not to the extent that might have been anticipated from the existence of so much unemployment. During the first quarter of the year building mechanics earned from 10s. to 14s. per day, day labourers 7s. to 8s., and miners 5s. to 6s. During the second quarter the wages of these classes were 10s. to 12s. for mechanics, 7s. for day labourers, and 6s. or somewhat less for miners; during the rest of the year the rates did not fall any further, but workers of all classes, except miners, found difficulty in obtaining employment. Predial labourers were also affected by the depressed condition of the colony, and the ruling rates for single men in the last quarter of 1855 were £42 : 10s., and for married couples about £50. The wage of female domestics of the best class fell to £17; that of other servants was nominal, and many untrained and inexperienced servants could not find employment at any wages whatever. These miserable conditions of some branches of labour did not last much beyond the closing months of 1855. The harvest of the year proved to be abundant, and the demand for agricultural labour was once more very keen. The pastoral industry made progress in 1854, and in 1855 also, and in 1856 it was very prosperous. Trade with Victoria revived as that colony threw off its depression; and the surplus labour was either absorbed by the expanding industries of the Province or distributed itself over other colonies. The transformation was rapid, and in June 1856 the Destitute Board, in making its half-yearly report, said: "Labour, superabundant eight months ago, is now in fair

demand ; and if any able-bodied persons are out of employment it is to be attributed to a disinclination to work rather than to inability to procure it." The extent of the change may be gathered from the number of persons receiving relief through the year. The indoor cases in the Destitute Asylum numbered 279 on 31st December 1855, 96 on 30th June 1856, and 100 on 31st December 1856. There were some orphans amongst the inmates, but most of them were adults incapacitated by sickness or by age and infirmity ; the drop in the number of cases, between the end of 1855 and the middle of 1856, shows that with the return of better times the sick and aged were taken charge of by relatives and not thrown on the public for support. The outdoor cases numbered 1059 on 31st December 1855, 435 on 30th June 1856, and 265 on 31st December following. The outdoor cases as a rule were those of women and children or aged people. The Destitute Board did not undertake to relieve able-bodied men, although it found it necessary to relax its rule somewhat during 1855, in consequence of the scarcity of employment and the very high price of bread.

Although employment was better in 1856 than in the preceding year, there was little change in the nominal rate of wages. In the building trades mechanics' wages ranged from 10s. 6d. to 11s. 6d. per day ; general labourers' wages were from 6s. to 7s., and miners' averaged 6s. The hours of labour in most trades ranged from 6 A.M. to 6 P.M. with two breaks of one hour, thus making the working day ten hours.

South Australia took small part in the agitation for a shorter working day which was carried on in Victoria and New South Wales. There was very scant co-operation amongst the working men of the Province ; the trade union movement made little progress, and in labour matters, therefore, workmen were without a rallying point.

There was no change in the rate of pay of farming and pastoral labour during 1856. Wages of females declined to £15 a year, chiefly owing to the fact that there were still

a large number of young, partly trained servants, brought to the Province in the previous year, who were willing to work for nominal wages.

During 1857 employment remained good, especially in the country districts. The average wages of shepherds rose from £38 to £41 a year, and of agricultural labourers from £43 to £47 : 10s. for single men, and from £52 : 10s. to £60 for married couples. The wages of women servants also rose to an average of £20 a year. The wages of mechanics were rather lower than in 1856, but those of miners advanced from 6s. to 8s. per day. The conditions of employment continued much the same in the opening months of 1858 as during 1857, but as the year advanced employment again became somewhat difficult to procure, and the wages of mechanics and day labourers were lower. There had been much overtrading in the previous year with the result that there were 105 bankruptcies involving liabilities exceeding £280,000, a large sum for so small a community, and for the moment industrial enterprise was checked. The immigration agent reported in September 1858 that the labour market was glutted with the class of ordinary labourers, but there was still a good demand for farming men and shepherds, and also for domestic servants. During October Governor Sir R. MacDonnell reported that there was "some temporary dearth of employment, which, however, had been much exaggerated." In his opinion no other distress existed among the labouring population than prevailed every year at the season immediately before the shearing and the harvest, but in this he was mistaken, as before many months the Government was obliged once more to open relief works for the unemployed. The bad season had diminished the demand for agricultural labour, and the unemployed from the rural districts flocked to Adelaide.

South Australia was now in full possession of responsible Government, and the legislature having expressed an opinion that it was desirable that assisted immigration should cease for two months, the Cabinet followed its

advice, and later on, in August 1859, took the further step of reducing the vote for immigration to £20,000, and even this reduced sum was obtained with difficulty.

There was much genuine discontent amongst the working classes, in regard to labour conditions and the manner in which immigration was being conducted. This found expression at public meetings held in July and August 1859, at which various suggested remedies against unemployment were mooted. The Governor reported that "the helplessness, as it were, of the labouring classes, and a disposition observable amongst them to force the Government by clamour to find them employment at their own price, has, I confess, caused me much anxiety." This was doubtless true, but the sight of their breadless homes might well fill the unemployed with anxiety also. The men out of work were mainly newly arrived immigrants, who had been induced to come to the Province by the suggestion that abundant work was to be had there, and the Government of the Province eventually recognized its obligations to them. It made an announcement "that as an importer of labour it should see that no industrious labourer, induced to come here by Government agents, shall want such employment as may procure for him *ad interim* the absolute necessities of life, and, on the other hand, to take care that the labour tests established for this purpose shall not be either so inviting or so remunerative as to encourage the labourer to have recourse to them one moment after he can find employment elsewhere."

The work offered by the Government was suited to unskilled men, and it was calculated that by fair exertion a man might earn 4s. a day, the average day wages of unskilled labour in the open market being at the time 6s. 6d. per day. The whole situation led the Governor to remark that "there is some probability that unskilled labourers here will eventually have to content themselves with a more moderate scale of living than of late years, and it is very natural that, during the transition from exorbitant to

fair wages, much discontent should make itself manifest." In saying this the Governor merely voiced the opinions of the leading men of the Province with whom he came in contact. In the presence of so much unemployment mechanics' wages fell somewhat, bricklayers and masons having to accept 9s. 9d. a day as compared with 10s. 6d. previously received, blacksmiths 10s. 6d. instead of 12s. 3d., and miners 6s. 9d. instead of 7s. 6d. No great complaint was made in regard to the reduced wages; the great complaint of the working classes was that their employment was irregular and that a man was fortunate who could get work for five days a week.

The South Australian labour market received some relief towards the end of 1859 from the renewed demand for mechanics in Victoria, where 14s. a day was offered to masons and bricklayers, and similar wages to other tradesmen, and a number of mechanics quitted Adelaide for the neighbouring colony. When the men reached Victoria, they soon discovered that they were required to take the places of men who had struck against a reduction of wages. This they refused to do; some returned to South Australia, but most of them remained in Victoria. The improvement in employment was so decided that, in April 1860, Sir R. MacDonnell reported that no able-bodied labourers were then dependent on the Government. There was a considerable emigration from South Australia to Victoria during 1860, and some emigration to New South Wales when the Snowy River goldfields were opened. In 1861 the attractions of the New Zealand goldfields carried off a number of persons, and at the close of the period very little surplus labour remained in the Province.

Extensive copper discoveries were made in South Australia during the last three years of the period, the Wallaroo Mine in December 1859, and the Moonta in May 1861, both being in Yorke's Peninsula. The development of these mines brought about renewed interest in mining generally throughout the Province and gave a much needed impetus to trade. In 1861 there were twelve smelting

works in South Australia, and the revival in the mining industry is shown by the employment of 1908 miners, chiefly in the new mines.

During 1861 employment in all branches of industry was good. The wages of miners rose from 6s. 6d. to 7s. 11d. a day, and those of mechanics remained steady, ranging between 8s. 6d. and 11s. a day, good average men being generally paid 9s. or 9s. 6d. Although these wages were much lower than those of 1853, their purchasing power was greater, and the material condition of the South Australian wage-earner in 1861 was equal, if not superior, to that of any previous period. Employment was steady, and there was general satisfaction in the community that business of all kinds was more stable than had appeared possible when the reaction from the gold-fever first set in. In December 1861 the Governor reported that "all classes of the population find ready and remunerative employment, while, owing to the low price of provisions and other necessaries of life, their material comforts are greater than they have been for many years."

The working classes in South Australia were not so alert as in Victoria and New South Wales, and during this period their want of combination in trade unions made their influence in politics almost negligible. Nevertheless their opinions were respected, as will have been seen from the action of the Government in checking assisted immigration, in deference to the adverse opinions known to be held by all classes of workers.

In 1859 the working men employed by contractors for public works presented a petition to Parliament against the truck system. The petition was referred to the Central Board for Main Roads, which admitted that the system did exist, but endeavoured to palliate the admission by stating that it was essential to the convenience of men working on the remoter railways and roads. The Legislature did not accept this view, and in the session of 1860 a Bill was passed making the truck system illegal. In 1857 an Act was passed to protect the funds of the Friendly Societies,

similar to the Imperial legislation on the question, and these societies and savings banks increased in number and importance. Besides the Truck Act and the Friendly Societies Act there was no important industrial legislation. There was no legislation of any kind affecting housing or sanitation during the period; nevertheless there were great improvements in both respects. Wooden tenements and houses of inferior materials disappeared almost entirely from Adelaide, and in the country districts the slab and mud huts of the pioneers gave way to more comfortable houses of stone or wood. In 1855 out of a total of 16,897 houses, 3087, or nearly a fifth, were of inferior materials, while in 1861 the number was 2667 out of a total of 27,904.

WESTERN AUSTRALIA

At the beginning of the period the ordinary wage of mechanics employed in the building trades in Perth was 6s. 6d. per day, which was also the wage of wheelwrights and blacksmiths, but carpenters were able to earn 7s. per day. General labourers were paid 4s. per day. Married couples, where the man was a farm labourer, were paid from £20 to £25 per annum with food and a hut, single men for farm work from £15 to £20, and shepherds from £18 to £24 per year. There were not many domestic servants in the colony and these were poorly paid, men servants receiving usually £12 a year and women servants £9; these wages were much lower than those paid in the eastern colonies, but the servants themselves were also inferior. The market for labour generally was very limited, and even good men had spells of unemployment. As food and clothing were dearer than in Adelaide, and wages no better, there was naturally a tendency for persons, whose circumstances permitted, to leave the colony. This tendency was checked on the discovery of copper in Western Australia, and later, when buildings were put up for the accommodation of the convicts and

of the free immigrants, there was for a time considerable briskness in most trades. Governor Fitzgerald was able, in June 1851, to report that "the want of mechanics and farm servants was never greater." The opportunities for labour were, however, so extremely small, that a very slight increase in the number of labourers prejudicially affected the position of those already in the colony. In 1851 there were only about 1700 free adult men in Western Australia, of these about 200 were farming, and about the same number were engaged in various kinds of business, so that the whole supply of labour was not more than 1300 men. At the end of June 1851, some 300 ticket-of-leave men arrived from England and were made available for employment. The English Government had anticipated that these men would be employed by private persons, but except at Fremantle few employers would at first accept convicts as servants, and as Fitzgerald was averse from employing them in Fremantle, the ticket-of-leave men remained on his hands for a long while.

In asking for convicts the settlers were desirous of having money, not provided by themselves, spent amongst them, and of having their roads made and communications opened up without expense. They wished also that a demand for their products should be set up, but the idea of having additional labour, even cheap labour, was not very prominent in their minds. The settlers were, as a rule, of a class superior to the ordinary settler in the eastern colonies, and did not care to have convicts or ex-convicts about them. Governor Fitzgerald speaks of them as looking forward anxiously to the coming of free immigrant labourers, "on the arrival of whom I have much doubt if a single ticket-of-leave man would be employed in the rural districts until the entire body of free labourers were engaged."

The objection to the employment of ticket-of-leave men was not based entirely on the desire to avoid the contagion of convictism. It had been anticipated that this class of labour would be cheap, and £12 a year with rations

had been confidently suggested as a probable wage, even for a mechanic. The first year's experience showed that the average wage was about £30 a year with rations. This increase, over what was anticipated, was important, and did nothing to reconcile the settlers to the presence of convicts in their homes.

During the later months of 1851 labourers, who were free to do so, began to leave Western Australia for the gold-fields, and in consequence Fitzgerald urged that the British Government should send out free emigrants, lest the colony should become a mere penal settlement. The reasonableness of this request was admitted, and free immigrants began to arrive in Western Australia about the middle of 1852, and continued at irregular intervals for about eighteen months thereafter. These immigrants were chiefly mechanics and agricultural labourers with their families; there were also some young women for domestic service. As we have seen, employers would have preferred free to convict labour, if they could have obtained it on the same terms. An experience of twelve months had greatly moderated the objections to the employment of ex-convicts, and, as free labourers could not maintain themselves and their families on the same wages as the ticket-of-leave men, employment usually fell to the lot of the ex-convicts. After a while the employers found another merit in the convicts besides their comparative cheapness: they were more under control than were the free men, and as regards the ticket-of-leave men, if not the men with conditional pardons, it was more certain that they would not leave the colony.

Not all the free immigrants who arrived in 1852 were able to find work quickly, and in 1853 the bulk of those who arrived were obliged to remain in the immigration depot for some time before they could obtain suitable work. In the end they were forced to accept the same wages as paid to the convicts or ex-convicts, which were far below what were required to maintain them and their families in decency. At the census of 1854 there were in

Western Australia 4076 free males and 1641 ex-convicts in private employment, which showed that the convict element in the labouring class was already very large.

In 1856 when Kennedy became Governor he found Western Australia in a far from thriving condition. There was a good deal of destitution among able-bodied persons, and the Government had been accustomed to allow them 1s. a day to supplement their casual earnings. Kennedy required work for the dole allowed, and opened public works for the employment of the destitute; this had naturally the effect of reducing the number of claimants for assistance, but it did not diminish the amount of destitution. Many of the destitute persons were farm labourers, brought to the colony under the immigration scheme. These men were in a peculiarly disadvantageous condition, as work on the small farms of the colony was not regular and continuous. It was usual for the farmers to discharge their men at the end of the seed-time, and not to employ them again until the harvest. This practice did not greatly affect the ticket-of-leave man, who could go to the Government hiring depots, where he was maintained until other work was available, but the free man had no such resource, and, as his wages were too low to admit of his saving anything for the period of unemployment, he was usually in great destitution until work was again available.

In 1856 the wages of predial labourers were from £12 to £40 a year according to their qualifications, and these continued to be the normal rates to the end of the period. As, however, the hiring was not usually a yearly one, these rates do not represent the actual earnings, which were of course much less. In June 1856 Kennedy reported that "good labourers" could earn £2 to £2:10s. per month in addition to their board, or they might earn 20s. a week and keep themselves. Ticket-of-leave men earned 30s. to 40s. per month, with board, "but a really good man looks for and obtains higher wages." Artisans, such as masons, carpenters, sawyers, and blacksmiths, were

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usually paid from 7s. to 10s. per day, whether bond or free, and general labourers from 3s. 6d. to 4s. 6d. per day. These rates remained practically unaltered until the end of the period.

The important timber resources of the colony attracted some attention after the gold discoveries. In 1860 mechanics in the employ of timber merchants were paid 5s. to 6s. per day, teamsters and superior labourers 4s. 4d. to 4s. 9d. per day, and ordinary labourers 3s. 8d. per day. Most of the timber getters were convicts, but their pay was the same as that of the free labourers.

Female domestic servants received about £12 : 10s. a year in 1856, and about £15 at the end of the period. After the revival of immigration in 1856 a superior class of domestic servants was brought to the colony, and to this fact is due the improved wages paid. Speaking generally, the wages of domestics, even under the altered conditions, were much below those of the eastern colonies, and the opportunities of improving their positions were very much less.

TASMANIA

At the beginning of 1851 the demand for labour in Tasmania was decidedly better than it had been at any time between 1846 and 1850. Nevertheless, wages were low and the bulk of the labourers were convicts or ex-convicts. The current yearly wages of free labour in the first quarter of 1851 were as follows, rations being given in every case :

Shoemakers	.	.	.	.	£30
Tailors	.	.	.	.	30
Curriers	.	.	.	.	30
Tanners	.	.	.	.	30
Carpenters	.	.	.	.	25
Blacksmiths	.	.	.	.	25
Plasterers	.	.	.	.	20
Bricklayers	.	.	.	.	19
Predial labour	.	.	.	.	12
Female domestic servants	.	.	.	.	12 : 10s.

In the towns, where rations were not provided, builders' labourers earned 2s. 6d. per day, and stonemasons, bricklayers, and carpenters 5s. 6d. The best shipwrights earned 7s. a day, coachmakers 4s. to 7s., and woolstaplers 3s. a day. Nurserymen and gardeners' labourers earned 7s. a week, with board and lodging, or 20s. a week if they provided for themselves. These wages were lower than in the mainland colonies, and show the effect of the competition of convict labour, of which there was still a superabundant supply. In January 1851, 883 pass-holders were awaiting hire at the Government depots, and their services could be procured for about £12 per annum, with lodging and rations.

Agriculture was the chief occupation of the island, and this had been stimulated by the growth of an export trade to the Californian goldfields. The census of March 1851 showed 12,503 persons engaged in agriculture, 3741 in commerce, and 5687 in manufacture. This last description of employment is, however, misleading, as under it were included those engaged in almost every industry not coming under the heading of agriculture or commerce.

The news of the gold discoveries in Australia reached Tasmania in June 1851, and created very great excitement among all classes of the population. The labourers, who were free to do so, at once prepared to leave the colony, and this exodus caused an immediate increase in the demand for convict labour. On 14th July the Governor reported that out of 1390 male and 619 female convicts eligible for hire, 1061 males and 474 females had obtained employment, thus leaving a very small surplus. Denison looked forward to considerable prosperity, as "owing to the presence of the convicts we shall be able to participate in the advantages which a rise in the price of produce will hold out to the agriculturist without suffering in a corresponding degree in the rise in the price of labour." In his forecast of the probable condition of the labour market he was somewhat astray, as wages rose

rapidly in some trades. In October 1851 tanners and curriers could earn £60 a year instead of £30, and plasterers £50 instead of £20, but bricklayers, carpenters, and blacksmiths were not able to obtain better wages than before the gold discoveries, nor was the condition of farm labourers in any way improved. There was, in fact, a steady resistance on the part of employers to paying higher wages, and as the rush of labourers to Australia continued, there was soon an actual shortage of labour; this was followed by the suspension of several industries that were of considerable importance to the colony. For want of men, many whaling vessels were laid up and the industry almost suspended; shipbuilding also ceased to be carried on, and the timber trade was reduced to small dimensions for lack of labour to carry the timber to market. At the end of 1851 it seemed impossible to save the harvest, which was abundant; but all available labour was concentrated upon it, the Governor facilitating operations by sanctioning the employment of every convict who could be spared from other pursuits.

The agitation against transportation was then growing in force, and the undoubted shortage of labour was used by the pro-transportation party as an argument in favour of the introduction of more convicts; while the abolitionists were much concerned to prove that the dearth of labour was merely temporary, and would pass away before more convicts could be introduced. The pro-transportationists were unquestionably right in their facts, if wrong in the remedy, as at the beginning of 1852 scarcely a single passholder remained unhired at the Government depots, whereas six months previously these men were a serious embarrassment to the Government.

During the months of January and February 1852 the wages of predial labourers were returned by the Government officials as varying from £20 to £40 a year, and those of mechanics and other tradesmen at from 30s. to 40s. a week—rates of wages almost unprecedented in the annals of the colony. The idea of introducing more convicts

having been abandoned for the time being, a Committee of the Legislative Council was appointed, early in 1852, to decide upon a scheme of immigration to supply the deficiency in labour. This committee took evidence from many employers, as to the increase in wages which they were compelled to pay, and there was a general consensus of opinion that wages had risen as a rule from 25 to 33 per cent, though in some cases the increase was as much as 50 per cent. Employers also represented that the cost of labour was even greater than these figures represented, as most of the really competent workmen had left the island, and the higher wages were being paid to inferior men. A vigorous policy of immigration was advocated by employers in general, as they hoped by that means to be able to engage workmen in England under contract, at very much lower wages than were then current in Tasmania, and they made no secret of their wishes in this regard.

As the year 1852 advanced the lack of labour became much more marked. The persons leaving outnumbered those arriving in the colony by several thousands, many of the incomers being men who had been to the Victorian gold-fields and had returned in possession of considerable sums of money, often the result of a few weeks' labour. Few of these had any intention of resuming their former employment. Denison calculated, on what seem to be good grounds, that the available male labour had been reduced by one-half between April 1851 and October 1852. Convicts were arriving at the rate of 2000 a year, a number insufficient to replace the ex-convicts, who left the island as soon as the regulations governing transportation permitted them to do so, and no free labour was coming in. The newly arrived convicts were sought after eagerly by employers. On 14th August 1852 Denison reported the arrival of 292 male convicts, of whom 282 were eligible for immediate hire. Before the arrival of the ship, 1259 applications for the services of these men were waiting in the office of the Comptroller-General of Convicts, and they

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were all engaged at once, receiving the following yearly wages :

2 boys . . . £6 to £7	11 men . . . £15 to £18
134 men . . . 9 „ 11	19 „ . . . 20 „ 22
56 „ . . . 12 „ 14	60 „ . . . about £30

Whenever a convict ship arrived there was always a larger demand for servants than there were servants to be had. Even the employers who objected strongly to transportation—and they were numerous—were compelled to engage convict labour, for no other was obtainable. This was especially true in regard to farm labour. The former free labourers had either left the colony or had turned their attention to one or other of the very lucrative pursuits which the trade with Victoria opened to them. Some of the industries that had been crippled by the first rushes to the goldfields revived under the demand set up in Victoria ; amongst these the timber industry especially attracted the attention of men who had been farm labourers, and who, if they chose to work for hire, obtained much better pay than they had been accustomed to receive or than they could get in any other employment.

Early in 1853 Denison issued an account of Tasmania, with the object of attracting immigrants to the colony. It contained a description of the industries, the land regulations, and the wages and cost of living in the island. According to this account, shipwrights then earned 15s. a day, sawyers 35s. per 100 feet of timber, instead of 5s., the rate in 1851, and a pair of sawyers could earn £20 a week without excessive hours if they worked regularly. Brickmakers obtained £4 per 1000 bricks, instead of 18s. Good carpenters earned 10s. to 12s. a day and cabinet-makers and upholsterers 11s., but the manufacture of furniture was practically suspended, as the labour of cabinetmakers could not be obtained. Bricklayers, stonemasons, blacksmiths, and coppermiths earned 8s. to 10s. a day, and wheelwrights and millwrights from 10s. to 15s. Good shoemakers could earn £4 a week, but very few remained on the island, and tailors also were very scarce.

They were employed on piece-work at rates which enabled them to earn from £3 to £5 per week according to their skill. Married agricultural labourers obtained from £35 to £70 per annum, and single men from £18 to £30. These rates, though vastly superior to those of the days prior to the gold discoveries, were much below those paid in Victoria.

The wages of women servants did not rise proportionately to the improvement in the men's wages. The usual rate for ordinary useful servants was £14 or £16 a year, as compared with £12 a year before the gold discoveries; good cooks obtained from £20 to £25, and really well-trained servants, who went out as free immigrants, could obtain higher wages. A few of those who arrived in 1852 had obtained as much as £30.

When the Duke of Newcastle's letter announcing the cessation of transportation was received in June 1853, it was at once recognized by agriculturists that labour would be both scarcer and dearer. The want of labour had already produced a decline in the attention given to cultivation. In 1851 the area under crop was 151,846 acres; in 1852 it fell to 123,983 acres, and in 1853 to 116,446 acres, in spite of the fact that an excellent market awaited all the produce the farmers could grow. The failure of the attempts in 1853 to secure State-aided immigrants has been elsewhere narrated. In default of free labour, the demand for convict labour became stronger than ever. When convicts were hired at the depots, the rates of wages which their employers undertook to pay were registered, and the books show that these usually ranged between £10 and £20 a year. But the actual wages paid were much higher. The Comptroller-General of Convicts reported that he could safely assert that, with very few exceptions, the rates of wages paid were: "To men engaged as labourers, 5s. to 7s. per day, and to ploughmen, shepherds, and stockmen, £30 to £60 a year, with board and lodging, while artisans, such as cabinetmakers, carpenters, bricklayers, and masons, earned from £2 to £4

per week, and sometimes as much as £5." These high wages paid to convicts freshly arrived from England mark the condition of the labour market at this period.

Wages reached their highest point at the end of 1853 and during the early months of the following year, but with the advance of the year 1854 employment became less easy to obtain. The chief cause of this change was the condition of Victoria. The unsettled state of the gold-mining districts and the decline in the demand for labour throughout that colony caused the outflow of people from Tasmania to decrease very materially, and as there was at the same time a great slackening in the demand for the goods which Tasmania produced, there was naturally a proportionate unsettlement of the productive industries of the island and a decreased demand for labour. Meanwhile, immigration to Tasmania had attained fairly large proportions. Assisted immigration from the United Kingdom was begun in 1854, and for a time was carried on very vigorously, and there was also a strong reflow of population from Victoria, not merely of returned gold-diggers, but of persons in search of employment. Building, fencing, and similar operations had been carried on during 1853 and the first six months of 1854, with as much vigour as the condition of the labour market admitted; at the first signs of depression these operations were largely curtailed, and as, in common with the other colonies, Tasmania was embarrassed by excessive importation of manufactured goods, the opening for labour was further restricted. In these circumstances wages began to decline, and when the immigrants, who were then being brought out under indentures, arrived they were offered lower wages than they had expected or were inclined to accept. Naturally, very few of them would consent to bind themselves to work for a period of two years at the reduced rates, and many of them remained in the immigrant depots for some weeks before they could obtain or would accept employment.

The bounty immigrants, who began to arrive at the

close of 1854, found employment more readily. In his report to the Secretary of State the Governor set down the wages of skilled labourers as ranging from 12s. to 16s. a day, but this was an exaggeration. A wage of 16s. a day was obtained by special men during the early months of 1854, but there were not many of these. The immigration agent reported that 12s. a day was the usual wage of a skilled workman during the first nine months of the year, and 8s. a day during the last three. This was a fair statement as regards Hobart ; in Launceston wages were lower, and in other parts of the colony a little higher.

During 1855 employment for all classes of labour remained irregular and wages were lower. Single men obtained from £20 to £31 : 10s. as farm labourers, and married couples, £25 to £60 ; sawyers' wages had fallen to 5s. per 100 feet of timber, which was the rate prior to the gold discoveries, and brickmakers received 25s. per 1000. In March 1855 masons were paid 12s. a day, but it was difficult to find employment, and in April a number of masons who arrived from Glasgow accepted 10s. a day and wages generally were reduced to that figure. There was a further fall in the following month. The chief obstacle to the maintenance of wages was the competition of convict labour. An operative stonemason, who had emigrated from England to Victoria in 1854, and thence to Tasmania in 1855, writing to his comrades in England, reported that "great numbers of the convicts have learned the mason's trade on the Government works and plenty of them are good tradesmen, consequently they are the most formidable foe the free artisan has in this colony."

Taking the year 1855 as a whole, the average wage of masons was 9s. a day. German immigrants arrived in fairly large numbers during 1855, and as a rule were willing to accept lower wages than the British workman. German masons were usually paid 15s. to 20s. a week, with lodging and rations, carpenters, 20s. a week, cabinet-makers and joiners, 16s. a week. They were inferior in physique to the English immigrants, and no doubt the

difference in their methods and the difficulty of a foreign language were drawbacks to them.

During 1855 there was considerable distress in Hobart. Employment could be obtained in the country districts, but the employers were not willing as a rule to engage married men with families, and these were consequently stranded in the towns. It was contended by many persons, arguing from the analogy of Victoria, that payable gold would be found in Tasmania, and, in view of the distress in the colony, the Government agreed in 1856 to grant £2000 towards the investigation of the field at Fingal, which it was hoped might prove another Bendigo. This sum was expended during 1856 in providing food, shelter, and tools for about a hundred men, who offered themselves for the work of prospecting; it was agreed that the prospectors should retain any gold they might find. The experiment met with little success. The gold won averaged less than one ounce for each man per month, and this return was too small to be remunerative.

During 1856 the industrial position improved somewhat. Employment was more regular and wages higher than in the previous year. The ordinary wages of artisans were from 9s. to 11s. per day, but stonemasons obtained 11s. to 13s., quarrymen 8s. a day, and labourers from 5s. 6d. to 7s. This improvement was not long maintained. In 1857 and 1858 Tasmania suffered with the rest of Australia from financial difficulties caused, to some extent, by the crisis in Europe and America, and from 1857 to the end of the period there was a gradual but small decline in wages, coupled with depression of trade and some unemployment. The large number of saw-mills and steam flour-mills which had been erected at the beginning of the period, on account of the trade with Victoria, were no longer actively employed, and agriculture was affected adversely by the developments in that industry which were taking place in South Australia and Victoria.

In August 1860 there remained out of the vast number of convicts brought to Tasmania only 364 persons not free

either by servitude or pardon; of these, 64 were women and 279 men pass-holders, the remaining 21 men being actually in gaol. Amongst the general population there were still left many persons who had originally been transported to the colony as convicts. Emigration to the goldfields had greatly reduced their numbers, but they still formed a strong element in the labouring population. Reporting upon the condition of the colony in 1861, Governor Gore-Browne said: "The labouring class generally is very different from that which is to be found in a colony where the emigrant has been always free." He observed that "the landed proprietors and farmers in this colony suffer more than in other colonies from the difficulty of procuring efficient labour. At a former period ex-convicts under a modified coercion . . . were often excellent labourers, but now . . . employers have great difficulty in dealing with them, and consequently prefer immigrant labour. It follows that in Hobart and Launceston there is often considerable distress, and liberated convicts have great difficulty in obtaining employment." The number of ex-convicts who were dependent on public support, apart from those in prisons and lunatic asylums, was considerable. In 1859, 212 paupers were maintained by the British Government; these were all convicts free by servitude. There were also about the same number supported by colonial funds; the great majority of these belonged to the same class.

The presence of a large convict leaven in the population was not favourable to a generous treatment of the working classes of the colony. The administration until the granting of responsible government, and indeed long afterwards, was in the hands of men who graduated under the convict régime and who, accustomed to the brutalities of the system, were disposed to look upon the labouring classes as of other clay than themselves, and to be kept in subordination by the strictest discipline. These ideas were embodied in the legislation of the period. In 1854 a new Masters and Servants Act was passed, ostensibly to

meet the conditions arising out of the free immigration which was then coming to Tasmania. Under the Act servants could be arrested at the request of their employers without warrant or other formality, and a magistrate, sitting alone, was empowered to deal with any case arising under the Act. The maximum penalty, appointed for servants failing to fulfil their engagements or neglecting to perform their duties, was three months' hard labour; solitary confinement for thirty days was authorized as an alternative "in order to prevent an indiscriminate association with vicious characters." It was specially provided that servants under age and married women in domestic service should be amenable for punishment in the same way as other servants, which had not been the case previously. In contradistinction to these drastic provisions the penalties placed upon employers for breaches of the law were of a pecuniary nature. The Act was administered in the same harsh spirit as it was conceived. Very early in the administration of the Act a woman servant, who had arrived as a free immigrant, was brought before a magistrate, charged with having disobeyed a lawful command, and was ordered to pay £5 or undergo 14 days' solitary confinement, and a free servant was sentenced to 30 days' solitary confinement for a like offence. The severity of the Act and the powers given to a single magistrate revolted even the prison authorities, who brought to the notice of the Governor that, in the case of a convict, it would require the concurrence of two magistrates before a sentence to solitary confinement could be inflicted. Sir William Denison, who had accepted the Act as one of salutary discipline, grew uneasy at the way it was administered, and issued a circular to the magistrates enjoining caution in the administration of the law. Public opinion on the question was aroused, and during 1855 an active campaign against the Act was carried on; many employers joined in condemning it, as it was seen that the existence of such a Draconian law placed the colony at a great disadvantage in securing and retaining free labourers.

At the election meetings held in February 1855 candidates were asked if they would amend the Act, so as to make it less oppressive, and during March, April, and May public meetings were held expressly to consider the Act, and to demand fresh legislation. As the outcome of these meetings a committee was formed to deal with the question, and a deputation waited on Sir Henry Young, who had recently been appointed Governor, to urge that the matter should be speedily dealt with. Young promised to forward a special message to the Legislative Council at its first sitting, recommending an early consideration of the matter. This was done, and early in February 1856 an Act was passed amending the law relating to Masters, Servants, and Apprentices. Under the amended Act it was necessary that two justices should adjudicate on any case, there was a mitigation of the punishments which they might inflict, the maximum period of solitary confinement being reduced to seven days, and it was ordered that no servant or apprentice under sixteen years of age should be imprisoned for any offence under the Act. An entirely new provision was added, requiring that every employer should give a written discharge to his servant on parting with him, and that every master engaging a servant should require such a written discharge to be produced.

CHINESE AND OTHER NON-EUROPEAN LABOUR

The attempts to bring coloured labour into Australia during the previous periods were purely sporadic and unsystematic. Boyd's experiment with South Sea Islanders to the Twofold Bay district and the introduction of Chinese to Victoria and other parts of Australia were of this character. There was no pretence that such labour was better or more suitable to the country than white labour; its only merits, in the eyes of the importers, were its apparent cheapness and the inability of the labourer to seek redress for any injustice practised on him. This class of labour, however, did not fulfil the expectations

of those who introduced it. The men imported proved unable to adapt themselves to shepherding and similar work upon which they were chiefly employed, and both the Chinese and the Islanders had a remedy against oppression, not thought of by their masters—they sickened and died. The importation of South Sea Islanders was early abandoned, but the idea of introducing Chinese was revived, without opposition from the Government, for the benefit of Queensland squatters, anxious to obtain a class of labour approaching the semi-servile type for their sheep and cattle stations. The business of obtaining labourers was undertaken by an agent, who had little difficulty in recruiting as many Chinese as he required. These were landed at Moreton Bay, and disposed of at the rate of £13 each. The Chinese, on being handed over to their masters, bound themselves to serve for a term of five years, with pay at the rate of five dollars a month. The first batch of 225 arrived in November 1851, and about 2000 others between that date and 1856, all being placed out as indentured servants. These Chinese were of a better class than those formerly introduced and made very good shepherds, but they quarrelled with the natives and with the other station hands, and, as soon as they understood the conditions of labour in Australia, they demanded much higher wages than those specified in their indentures. Taken altogether, the experiment was unsatisfactory.

Sir William Burton, who had been Chief Justice of New South Wales and had been removed to Madras, made a suggestion for the employment of Eurasians from India, and eighty-six of these people, mainly working compositors, were obtained as an experiment. The Eurasians were not altogether satisfactory workers, and their introduction was viewed with great disfavour by a large portion of the population, who saw in this importation of coloured labour a design to bring down the general level of wages. A Select Committee of the Legislative Council was appointed to consider the question of Asiatic labour, and in November 1854 it presented its report, which was to the effect that

the Chinese and the Indian immigration had disappointed the expectation of the promoters, and, as the immigration from the United Kingdom was so great, any attempts to introduce Asiatic labour ought to be abandoned. If the introduction of Chinese shepherds brought out under indentures to Moreton Bay had stood alone, not much attention would have been paid to the subject; but the Chinese question had already begun to assume formidable proportions in Victoria, and the appearance of the Eurasian compositors in Sydney seemed to the working classes of that city ominous of evil, although it was in itself a very small matter.

At the time of the gold discoveries very few Chinese were to be found in Victoria, but towards the close of 1853 it was noticed that on all the principal fields there were Chinese at work. The census of March 1854 showed that there were about 2000 then in the colony; thereafter their numbers grew very rapidly and the miners began to resent their presence. The colony was on the eve of receiving the privilege of responsible government, and the Legislative Council was much alive to the influence of public opinion, so much so indeed that, in June 1855, an Act was passed with the object of making it difficult for Chinese labourers to enter the colony. It was provided that every Chinese coming into Victoria should be subject to a tax of £10, and that ships carrying Chinese passengers should not have more than one such passenger, to every ten tons registered measurement, with a penalty on the owner of £10 for every additional passenger carried and a further penalty of £20 for any passenger who was landed in Victoria in excess of the number that could be legally carried. In order further to decrease the number a tax of £1 a year was laid upon every Chinese resident in the colony. Chinese protectors were appointed on the various goldfields, whose duty it was, not so much to protect the Chinese, as to enforce the regulations, inspect their camps, and protect the residents of the goldfields against the insanitary habits of the aliens.

The Act did not effect its purpose, and the influx of Chinese continued. They landed in South Australia and New South Wales and worked their way overland to the goldfields of Victoria without hindrance. At the census of 1857 the Chinese were found to number 25,370, of whom more than 20,000 were diggers on the goldfields. In 1858 they were required to take out licences every two months, at a charge of 20s. for each licence. This tax proved difficult to collect and naturally was much evaded; nevertheless it tended to restrict the number who made their way into Victoria. Some change of feeling took place in regard to the Chinese, not long after the Restriction Act was passed. It was found that they were often quiet, industrious settlers, and, especially those who took up the business of market-gardening, sometimes of great value to the colony. They spent the money they gained quite freely, whereas it was feared they would carry it away to China. There was about this time a falling off in the gold production, which was looked upon by all classes as a thing much to be dreaded, and in 1859 in order, apparently, to encourage the search for gold, the tax on Chinese was reduced to £4 a year, which included also the charge for a miner's right. During the three years 1857, 1858, and 1859 it was estimated by the Victorian authorities that some 10,000 Chinese left the colony for their own country or for New South Wales, but an equal number must have arrived in Victoria before 1861, as the census of that year showed that the number of Chinese still in the colony was little short of 25,000.

The legislation in regard to the Chinese was regarded in England as open to grave objection as a plain violation of China's treaty rights; but the English Government had learnt the strength of public opinion in Victoria on the matter of undesirables, and decided not to disallow the various Acts passed by the local Parliament, which had been reserved for the Queen's assent. The taxation laid upon Chinese landing in Victoria in 1855, as we have seen, caused large numbers of them to disembark in New South

Wales and South Australia, with the design of making their way overland to the Victorian diggings. In South Australia some 4300 arrived in 1856 and 10,325 in the first five months of 1857. There was naturally considerable alarm at the appearance of these aliens, and a landing-tax, following the precedent of Victoria, was put on them in 1857, but this was taken off four years later, as there was no inclination on the part of the Chinese to settle. This was made evident by the census of 1861, which recorded the presence of only forty of them in the whole province.

In New South Wales, however, many of the Chinese remained, owing to the attractions of the goldfields, which had brightened somewhat in 1856, and later, when Victoria imposed a heavy residence-tax, not only did the new arrivals remain in New South Wales, but many Chinese quitted Victoria for its northern neighbour. In March 1856 there were 1806 Chinese in New South Wales, most of whom were residing in the Moreton Bay district: in 1861 there were 12,988 in the colony, which no longer included that district. Most of the Chinese were engaged in gold-mining, but by no means all, as they soon found that there were other kinds of occupations more profitable to men of their adaptiveness than the search for gold. From the first the Chinese had been objected to by the European immigrants, but there were no labour troubles. Almost as soon as responsible government was granted, attempts were made in Parliament to regulate the admission of Chinese into the colony, and in 1858 a Government measure was passed through the Legislative Assembly but rejected by the Council. The matter was not further pressed by the Ministry of the day. Resolutions antagonistic to the Chinese were passed by the Assembly on various occasions, but it was not until serious disturbances had occurred on one of the goldfields that the Legislative Council could be induced to pass a restriction Act similar to that in operation in Victoria.

The Burrangong or Lambing Flat goldfield proved to be remarkably rich, and among those attracted to it were

some hundreds of Chinese. European and Chinese miners have rarely agreed upon mining fields, and Burrangong was no exception. The Chinese were accused of "picking the eyes" out of the field, which was another way of saying that, so far as regards the faculty of discovering places likely to contain gold, the Chinese were superior to the whites. There were no charges that could be made against the Chinese which could not with equal justice be made against an equal number of Europeans, and the disturbance was therefore purely a racial one, the forerunner of many another of the same kind. The feeling against the Chinese found vent in public meetings, at which very fiercely-worded declarations were passed. From mere words the miners proceeded to action. After one of these public meetings, at which the question was raised "whether Burrangong was a European or a Chinese territory," the crowd, with threatening shouts and the band playing, rushed the quarters of the unfortunate Chinese, who fled, panic-stricken. Several tents were burned, and a drunken man galloped wildly through the camp, knocking down several of the aliens as they fled. The drunken rioter was stopped by the police and locked up. For a while the mob acquiesced, but subsequently demanded his release. The police were only eight in number, while, according to police estimates, the miners numbered 4000 to 5000, and the authorities were obliged to give way. The Gold Commissioner, who at an earlier period of the riot cautioned the miners against the use of violence, submitted to the farce of releasing the culprit, on substantial bail being forthcoming, which was not long in being found. Next day the rider appeared before the Commissioner, who was also a magistrate, and after being reprimanded for his offence was discharged without further punishment.

The Europeans were not disposed to let the matter rest without gaining their point, which was the total expulsion of the Chinese. They formed a Miners' Protective League, with the twofold object of maintaining order on the field

and of expelling the obnoxious alien. The few police who had been hastily collected at Burrangong were powerless to afford protection to any one displeasing to the miners, and when the authorities in Sydney became aware of the condition of affairs they lost no time in despatching fifty mounted men to the field. This force proved entirely inadequate to the task imposed upon it. The ill-usage of the Chinese continued ; their claims were jumped, their gold appropriated, many of them were ill-treated, and the bulk of them were virtually starving. The resources of the Government for the suppression of an outbreak of rioting, in a place so remote from Sydney, were small, but to the fifty troopers already sent were added some twenty more drawn from other stations, from which they could be ill-spared. Before the arrival of this reinforcement the police had arrested three men who, they considered, were ringleaders in recent disturbances and had placed them in the lock-up. There was, at first, no suggestion of rescuing these prisoners by force, but, on the arrival of the reinforcement, an inflammatory meeting of miners decided to make an assault on the lock-up. Preceded by a band playing inspiring airs, and displaying several banners, the mob marched to the attack. The lock-up was a rough wooden structure surrounded by a strong palisade, and before this the police were drawn up ; there were about eighty of them, armed with carbines and pistols, the mounted men having swords also. The police parleyed with the mob and allowed a deputation of the miners within the police enclosure, to confer with the imprisoned rioters. When they returned from this interview there was renewed commotion and a clamorous demand for the release of their comrades. The condition of affairs seemed so alarming that the Commissioner resolved to read the Riot Act, but not having a copy of the Act at hand, he recited so much of it as he could recollect. It was then late in the afternoon, and, as the mob gave no sign of dispersing and threatened to force the stockade, the mounted police were ordered to charge, which they did with drawn swords,

while the foot police gave support, firing on any parties who ventured to maintain their ground. The rioters, although forced to give way, did not fly panic-stricken at the first onslaught of the police, but returned to the attack again and again, maintaining their resistance until late into the night, and not finally dispersing until long after midnight. Eight men were killed in the affray and many wounded, but the miners were not subdued; arms and ammunition were openly brought to the camp in readiness for a further assault on the police. The malcontents were under the general orders of the committee of the Protective League, but there was no one in supreme command, so that the signal for attack was delayed sufficiently long for the officer in charge of the police to remove his prisoners to Yass, a distance of 70 miles, where there was a gaol easily defensible. The removal of the prisoners was a wise precaution, as their release would otherwise undoubtedly have been effected, but the miners were not in insurrection and did not attempt to carry their operations outside the area of the Burrangong goldfields, so that the men arrested remained in safe custody. The Miners' League was in full possession of the field and had practically superseded the regular Government, but fortunately the resources of the authorities were not at an end. There were imperial troops available, and 130 officers and men of the 12th Regiment, as well as 44 of the Royal Artillery with two 12-pound pieces, were sent to the scene of the disturbance. The situation was explained by the Premier, Charles Cowper, to the Legislative Assembly, and as there was a difficulty regarding the delegation of authority it was announced that the Premier would go to Burrangong and endeavour to settle matters. Cowper left Sydney on 27th February, or four days after the despatch of the troops, and on the following day Robertson, in a temperate address, explained to Parliament the intentions of the Government. The principles of law and order would be maintained, and maintained at any cost. Extreme measures would not be taken unless they were necessary for the preservation of the public peace,

but the Government would be above all things moderate; causes of irritation would be avoided as well as anything calculated to provoke the miners to violence, and the affair would be settled without bloodshed, if that were possible.

Cowper on his arrival at Burrangong addressed the miners, and was cordially received; a day or two afterwards he spoke at Stony Creek. His words were to the same effect as those uttered by Robertson in his place in Parliament, but the Premier added that, when order was restored and affairs were in a normal condition, the whole situation could be reviewed and the miners afforded such satisfaction and redress as the circumstances seemed to warrant. The Premier returned to Sydney almost immediately. His wise action, in visiting the scene of the riot, had prompt effect in quelling the disturbance and preventing a repetition of the unfortunate affair at the Eureka stockade. The Chinese took advantage of the calm to slip away to other fields or to abandoned diggings, and, an important find of gold being reported at Tipperary Gully, a large proportion of the miners abandoned their claims at Burrangong for the new fields, and the few Chinese left remained unmolested for a time.

On 17th April Cowper introduced a Bill to regulate the goldfields, with the object of preventing any further troubles between the white diggers and the Chinese. The most important provision was that aliens should be permitted to work only on fields specially proclaimed for them. The Bill passed the Assembly, and it was under the consideration of the Council when the prorogation of Parliament stopped its progress. Before long disturbances again occurred at Lambing Flat. The Commissioner made light of them, but they increased in violence, and in July it became once more necessary to send down extra police and troops to restore order and protect the Chinese, who were being treated with the greatest brutality. Several men were arrested and ultimately tried, but they were acquitted, and in Sydney meetings were held at which the action of the European miners was warmly supported. In

September 1861 Cowper introduced a Chinese Immigrants Regulation and Restriction Bill. This measure was based on the Victorian Act, and provided heavy penalties against any one introducing Chinese in contravention of its provisions. No vessel was allowed to carry more than one Chinese for every ten tons of the ship's tonnage, under a penalty of £10 imposed upon the owner, master, or charterer for each Chinese passenger in excess. There was also a tax of £10 to be paid by each Chinese landing, as well as a licence or poll tax of £4 per annum during his residence in the colony; added to this there was a prohibition of naturalization. The Bill was somewhat amended in the Council, but its main provisions were retained, and it became law on 27th November 1861. On the same day a Goldfields Bill, following the lines of the measure shelved by the Legislative Council in the previous April, also received the Governor's assent. These two measures, by providing for the heavy taxation and segregation of the Chinese in the colony and the practical prohibition of the introduction of other Chinese except in very small numbers, put an end to the difficulties on the goldfields.

The Chinese question in 1861 arose out of a settled dislike for all coloured races on the part of the mining population; in subsequent years there was a revival of agitation, but in it the share of the miners was small, as the Chinese were no longer their formidable competitors. It is a curious fact that, notwithstanding the general objection to the Chinese undoubtedly held by the working population, the law of 1861 remained but a few years on the Statute Book.

VIII

PRICES

NEW SOUTH WALES

THE wheat harvest of the year 1850–51 was somewhat scanty, and the price of bread was advanced at the beginning of 1851 from 2½d. to 5d. the 2-lb. loaf; otherwise the course of prices at the opening of the fourth period was on the same low scale as in the latter half of the previous one. When the news of the gold discoveries reached Sydney an impression was generally prevalent that the finds would attract enormous crowds of gold-seekers, and merchants at once began to buy up stores in Sydney, to send to the gold-fields. This produced an immediate effect on the prices of articles of common use, which were generally advanced by about 50 per cent, and in some cases by as much as 100 per cent. Gold was discovered in April 1851, in May flour which had been selling in Sydney at £20 a ton was advanced by the merchants to £30, and the bakers immediately put up the price of the 2-lb. loaf to 7d. Supplies were poured into Bathurst, where at first they commanded very high prices. In May the 2-lb. loaf was sold there for 1s., sugar at 9d. per lb., and tea at 4s. But this condition did not last long. There was no great rush to the goldfields, and by the middle of June prices had got back to their old level in Sydney. Supplies had been sent to Bathurst far in excess of the actual or prospective requirements, and in their anxiety to dispose of their wares storekeepers offered to sell certain descriptions of goods

more cheaply than similar goods could be obtained in Sydney. In June 1851 the Sydney market price of salt butter was 9d. to 1s. per lb.; fresh butter, 1s. to 1s. 3d.; cheese, 5d. to 6d.; bacon, 8d.; eggs, 1s. per dozen; beef and mutton averaged about 2d. per lb. During July and August these prices continued to rule, and flour, which had been £27, fell to £22 per ton.

After the winter had passed the number of persons on the goldfields considerably increased and prices again moved upwards. At Bathurst the ordinary price of the 2-lb. loaf was 11d., at the Turon flour sold for 90s. per 100 lbs., and at the Ophir diggings for 60s., but both these latter places were difficult of access, and the cost of carriage was an important element in the prices of all descriptions of goods except meat. A few months later, when the roads were put in good order, flour fell to 28s. per 100 lbs. on the goldfields. Towards the end of October 1851 it was recognized that the harvest would be exceptionally plentiful, and prices of grain and flour fell very much. All agricultural produce was exceedingly cheap, as the following Sydney market prices of 25th October show:

Flour	.	.	.	.	£14 to £16 per ton.
Butter	.	.	.	.	7d. .. 10d. per lb.
Cheese	.	.	.	.	6d. .. 8d. per lb.
Bacon	.	.	.	.	6d. .. 7d. per lb.
Eggs	.	.	.	.	8d. .. 1s. per doz.
New potatoes	.	.	.	.	8s. per cwt.

The vast increase of population expected on the goldfields turned out to be not more than five thousand, and the slightly increased demand, arising out of their presence in the colony, was more than met by the increased importations that had been made, and prices at the close of 1851 were not appreciably higher in Sydney than they had been a year previously.

By December 1851 the prices on the goldfields had adjusted themselves to those at Sydney. Beef and mutton were much about the same price, and the other

articles principally in demand were on an average about one-third to one-half higher at the diggings than in Sydney, the additional price representing the cost of carriage.

During the greater part of 1852 prices continued about the same as at the close of the previous year, the most notable exceptions being those of flour and coal. Owing to the favourable harvest the price of flour fell to £12 per ton in January, advancing to £14 in April on account of the demands made by Melbourne on the Sydney market. During the following months exportation on a considerable scale was continued, and prices rose month by month, almost week by week, so that in July 1852 flour at the Sydney mills was sold for £21 to £23 per ton, and in the November following the price reached £40 a ton. This high price was due partly to the great reduction of stocks and partly to the expected shortage of the next season's crop, as much land had been allowed to go out of cultivation owing to the difficulty of obtaining labour. As regards coal, which was formerly sold at 30s. per ton, the price rose in July 1852 to 50s. at Sydney; there was no extra demand for fuel, but there was a falling off in the quantity produced, as a large proportion of the miners had abandoned their employment to take up the search for gold. At the close of 1852 the prices of most descriptions of goods again began to rise, articles of local production on account of the largely increased cost of labour, and the imported goods on account of the general increase in freights and the local charges for handling.

During 1853 the continued demand of the Victorian goldfields not only for colonial produce but for imported goods, which were largely supplied from Sydney, had the effect of reducing the stocks of the New South Wales merchants to a very low point. In the month of April the *Sydney Herald* reported "a scarcity in some articles, exhaustion in others, and high rates in nearly all." Almost all the stores had been cleared of British goods, "hard goods and soft goods, luxuries and necessities, articles for

eating and drinking, articles for wearing and using are at the minimum of stock and the maximum of price." During the previous year meat, butter, cheese, eggs, potatoes, and other articles of food, except bread, had remained unaffected in price by the gold discoveries, but in 1853 there was an advance in price all round. In June the best dairy butter was sold for 3s. per lb., and inferior butter from 1s. 9d. to 2s. 4d.; eggs were 2s. 6d. per dozen, and potatoes 12s. to 14s. per cwt.; but bread-stuffs, which had been very dear in the early months, fell in price as the imported flour came to hand, and Chilian flour could be purchased in Sydney at from £18 to £20 per ton. Nor did the shortage of general merchandise long continue. The reduced stocks and the very high prices, obtained in the early part of 1853 for all descriptions of goods, stimulated merchants to increase their imports very largely, and at the same time large speculative shipments were sent from England. These goods began to arrive towards the middle of the year. The importers calculated on disposing of their goods to Melbourne purchasers and to country storekeepers, but in this they were disappointed. Melbourne was now supplying itself direct, and no longer depended on Sydney, and, although the stocks of country storekeepers were low, they could not be replenished, as the roads had become impassable owing to the long-continued rains. The Sydney merchants now found their stores glutted with goods which they could not dispose of. In July 1853 the *Herald* wrote: "There are in the market some fifteen to twenty thousand tons of goods, either unsaleable or difficult of sale at fair paying rates." Carriage was very dear, both from Sydney to the interior and on the reverse journey. Thus in July 1853 the charge for carrying a ton of merchandise from Sydney to the Turon was £30, and to Gundagai £40. The cost of carriage was always fairly high, but did not ordinarily approach the figures just quoted, which were attributable largely to the condition of the roads, along which only very light loads could be taken, and also to the lack of teamsters, few of whom were

able to resist the temptation to desert the roads for the goldfields.

During the last three months of 1853 the average prices of foods most largely consumed were given by the immigration agent as follows :

	<i>s.</i>	<i>d.</i>
Wheat, per bushel	9	0
Bread, per 2 lb. loaf	0	7
Tea, per lb.	4	4
Sugar, per lb.	0	3½
Butter, fresh, per lb.	2	0
Butter, salt, per lb.	1	6
Cheese, English, per lb.	1	6
Cheese, Colonial, per lb.	0	8
Potatoes, per cwt.	20	0
Meat, fresh, per lb.	0	5
Meat, salt, per lb.	0	4

The value of goods imported into New South Wales during 1853 was £6,342,397, as compared with £1,900,436 for the preceding year. Not a small proportion of the goods arriving at Sydney were speculative shipments sent out by British merchants without any regard to the demands of the market. There was indeed a veritable mania in England for speculation in Australian concerns, and money for any sort of venture could readily be obtained.

During 1854 the value of the imports was almost as large as in 1853, viz. £5,981,063, and as a similar, but much larger, stream of goods was pouring into Victoria, no relief could be obtained by sending the surplus thither. At first prices did not fall much; money was plentiful, and it was expected, especially after news of the declaration of war against Russia reached the colony, that markets would improve. But the cost of storage was very great, and the accumulation of goods in Sydney became a great embarrassment to merchants. During the latter months of the year goods were frequently offered for auction to avoid storage, and in not a few cases goods purchased at such auctions were reshipped to England, where their sale yielded a profit to the buyers. Such transactions

brought English shippers to their senses. The harvest of 1853-54 had not been good, and, Victoria being now a more important consumer than New South Wales, the external supplies of agricultural produce sent to Australia were naturally disposed of in Melbourne. The price of wheat rose from 9s. a bushel at the beginning of the year to 12s. 6d. and 15s. a bushel in June. Bread was sold at 9d. per 2-lb. loaf; ordinary butter, 2s. 6d. per lb.; eggs, 2s. 9d. to 3s. per dozen, and potatoes, 15s. to 20s. per cwt. By the end of the year prices were still higher: bread was 11d. per 2-lb. loaf, potatoes 31s. per cwt. Beer, which was very largely consumed on the goldfields, the immigrant diggers not yet having acquired the Australian habit of tea-drinking, was greatly advanced in price. Colonial beer, which formerly sold at 2s. a gallon, brought 8s. and imported beer 15s. against the old price of 4s.

Wheat remained at a high price during the whole of the latter half of 1854, and for the first three months of 1855 it averaged 13s. a bushel, rising to 20s. in the second quarter of the year. Flour corresponded in price, and reached £50 a ton in July. But large quantities of grain were afloat for Australia, principally from Chili; some of this grain reached Sydney in August, and was sold at 9s. 6d. a bushel. The relief to the market was only temporary. The stock of Australian flour was at an end by the close of August, and the imported flour was then sold at £30 per ton, rising to £40 in October. Taking the year 1855 as a whole, the average price of wheat was 16s. 6d. per bushel, and of the 2-lb. loaf 1s. The best fresh butter was sold in Sydney at 3s. to 3s. 6d. per lb., and other dairy butter at 2s. to 2s. 6d. Milk was ordinarily sold at 1s. per quart, but the quality of the article vended at this price was bad; pure milk was at least 1s. 6d. per quart. The average price of potatoes in 1855 was 21s. 4d. per cwt., but during the first quarter the price was 30s. Meat had been cheap throughout Australia since 1842, and at the time of the gold discoveries the average price of fresh meat, whether beef or mutton, was 1 $\frac{3}{4}$ d. a pound. The gold discoveries did not

at first make any great difference in the price, but as the wages of butchers moved upwards prices increased, and in March 1855 the best joints were rarely sold in Sydney under 1s. a pound. Throughout the year the average price for meat of all qualities was 6d.

The high price of coal in 1852 has been referred to; during 1853 and the greater part of 1854 there was no change, but in November of the last-named year the price had dropped to 15s. a ton at Newcastle, and in Sydney first-quality coal was selling at 27s. per ton, continuing at about that price for a considerable period.

Throughout the whole of 1855 trade was very depressed. At the beginning of the year merchants were still greatly overstocked, and, although restricted importations were the rule, they were unable to reduce greatly their dead stock; farmers and stockowners had little money to spare, and their purchases were confined to the barest necessities, while in Sydney the fall in wages and the dearth of bread had greatly restricted the purchasing power of the working classes. The extent of the depression is plainly shown in the reduction in the quantity of spirits imported. In 1854 the import of spirits of all kinds was 1,606,290 proof gallons, while in 1855 the quantity was only 582,929 gallons, and although the reduction in consumption was not in like proportion it was still very considerable. In other articles of common use there were also striking reductions in the quantities consumed; the imports of ale and beer fell off by nearly 40 per cent in 1855 compared with the previous year, and those of tea by 25 per cent. The reduction in value of all imports was £1,312,544.

A good harvest and a better price for wool brightened the outlook at the end of 1855, and the revival of business in Victoria reacted favourably on New South Wales. In January 1856 the 2-lb. loaf was sold for 8d.; potatoes, 9s. to 11s. per cwt.; butter, 1s. to 1s. 3d. per lb., and in February these commodities were still cheaper. The cheapening of nearly all descriptions of home produce led the merchants to look for an advance in the price of

imported goods, of which they still held large stocks, but in this not unreasonable expectation they were disappointed, and the prices of imported food-stuffs, including tea, coffee, and sugar, as well as of imported clothing, were slightly lower in 1856 than in 1855. Towards the end of 1856 the price of the 2-lb. loaf in Sydney had dropped to 5d., butter was usually sold at from 9d. to 1s. per lb., and fresh meat at 3½d. per lb. On the older goldfields, which had been now opened up by good roads, prices ranged about 25 per cent above those of Sydney, but on the newer fields, which were usually at first difficult of access, high prices were the rule. At the Rocky River diggings flour cost 47s. per 100 lbs., sugar 10d. to 1s. per lb., and other articles were proportionately dear. Communication with Moreton Bay was at this period entirely by water, and produce of all kinds was high-priced; flour, for example, at Brisbane ranged from £50 to £60 per ton, and butter was sold at 3s. 6d. per lb.

From 1856 to the end of the period there was a continuous decline in prices. Bread-stuffs, the price of which was determined by local conditions, afforded the principal exception to this general statement. The year 1857 was one of mild prosperity, followed by several years of dullness and lack of enterprise, conditions which were a natural reaction from the previous feverish activity. It is probable that an unlocking of the public lands would have relieved this dullness, but, as it was, many persons with no taste for mining, but with a desire for rural pursuits, were compelled to remain in uncongenial employment on the goldfields or in the towns, who might have been employed, and indeed wished to be employed, in agriculture or sheep-farming, to the advantage of themselves and the colony.

In the foregoing discussion of prices scarcely any mention has been made of articles of common use other than foods. As regards imported clothing, there was no very large increase in price as compared with the years immediately preceding the gold discoveries, and at the

dearest period the average price was only about 20 per cent higher; nor was there any great variation of prices within short periods as there was in the case of foods. Articles made in the colony, however, such as boots and shoes and men's and women's clothing, advanced greatly in price as wages rose, and, speaking generally, the charge made for this class of goods was in 1853 twice as much as in 1850. Bespoke goods were for a few years entirely beyond the means of all except the well-to-do, and there was a marked tendency to replace home-made goods by imported articles. The prices of the cheaper kinds of imported clothing in 1851 were:

	<i>s.</i>	<i>d.</i>		<i>s.</i>	<i>d.</i>
Moleskin jackets	9	0	Merino dresses	14	0
Moleskin coats	15	0	Flannel petticoats	5	0
Waistcoats	6	6	Stockings	1	6
Moleskin trousers	8	0	Women's shoes	6	0
Flushing trousers	8	0	Shawls	7	6
Coloured shirts	2	6	Shifts	2	6
Strong boots	9	0	Straw bonnets	5	0
Strong shoes	7	0	Flannel per yard	1	2
Shepherds' coats	19	0	Calico per yard	0	6
Socks	0	10	Blankets per pair	15	0
Straw hats	5	0	Mattress	8	6
Print dresses	6	0	Rug	5	0

Prices were practically the same in 1852, after which they increased gradually, reaching their highest point in 1854 and 1855, when, excluding footwear, they stood about 25 per cent for men's clothing and 16 per cent for women's clothing over the prices of 1851.

Prices fell subsequently, and in 1858 were almost on a level with those of 1851, except for boots and shoes, which still cost from 12s. to 16s. per pair.

At the beginning of the period rents were fairly low in Sydney for working-class families. In the country districts the labourers lived as a rule in bark or roughly built wooden huts, for which they ordinarily paid no rent, as a lodging formed part of their wages. In the country towns there were a fair number of brick or stone houses,

which were let at low rents, and in many cases artisans owned their own dwellings.

In speaking of the comparatively low rents paid for working-class dwellings in Sydney, it is necessary to qualify the statement, by saying that the accommodation afforded was on the whole exceedingly bad. A great part of the city was without sewerage, most of the roads were unpaved, even such important thoroughfares as George and Pitt Streets were very roughly macadamized and often full of ruts. In such circumstances it may be well imagined that the streets were never swept. A small number of scavengers were employed, who removed the rubbish that accumulated in the gutters, and evil-smelling surface drains were found in every quarter of the town. The water-supply was bad and insufficient, and part of the city and most of the suburbs depended upon wells and tanks for a meagre supply of water.

Although the site of Sydney offered every facility and inducement for the creation of a fine city, free from the slums and alleys which debase so many great cities of Europe, there existed in 1851 many slums of the vilest character. Behind the great thoroughfares, but out of sight of the ordinary pedestrian, were alleys, unpaved and undrained, bordered with houses of two or three small rooms. These houses were undrained and without water-supply; nevertheless, they let for 4s. or 6s. a week, and were often grossly overcrowded. The workmen's houses in the older part of Sydney were as a rule badly constructed, with mean, low-ceiled rooms, but there were many fine dwellings, with large gardens and enclosed lands, belonging to the merchant and propertied classes. In the newer parts of the city and in the suburbs the houses of the working classes were better, but even there the absence of drains and water was a real evil.

Rents began to rise in Sydney early in 1852. In the first quarter of that year the immigration agent returned the rent of a small dwelling with two or three rooms and a kitchen at 6s. a week, instead of 4s. as in 1851, and by

the end of 1852 the rent had risen to 10s. a week. The year 1853 brought a great accession of population to Sydney, and rents were doubled. Builders and speculators made great efforts to meet the demand, and the class of building erected was a distinct improvement on the older type. These houses were usually of stone or brick, and some regard was paid to the health and convenience of their prospective tenants. The usual type of better-class house contained two rooms and a kitchen on the ground floor and one large room above. Such houses were usually built in terraces and let for 20s. a week. Five-roomed detached cottages let for £2 : 10s. a week, and even £4 when they were of what was termed a superior class. In the city good houses of eight or ten rooms were let without difficulty at £300 a year. Business premises brought very large rents compared with former years. Shops in good situations, for which a rent of £4 a week was demanded in 1850, let readily in 1853 for £700 or £800, and even £1000 a year was sometimes obtained. There was a considerable amount of competition for such premises, but the high rents everywhere asked were partly due to the greatly increased cost of labour and materials. The increase in the wages of building mechanics has already been discussed; the advance in the price of building materials may be estimated from the fact that, prior to 1851, sawn timber was sold at from 7s. to 10s. per 100 superficial feet, board measure; in 1853 it never cost less than 50s. Bricks which were selling at £2 per thousand in 1851 could not be procured under £8, and undressed stone lying at the quarries rose in price from 4½d. or 5d. per foot in 1851, to 1s. 6d. or 2s. in 1853.

In spite of the great activity of 1852 and 1853 the demand for houses was greater than the supply, and in 1854 and 1855 the rent of a mechanic's dwelling was from 20s. to 30s. per week. The construction of buildings went on without intermission, faster in Sydney than elsewhere in the colony, so that in 1856 the average number of persons to an inhabited house was 6 in the city and 5·2 in the

suburbs, as compared with 6·6 for the whole colony ; the result of this activity was seen after 1855, when rents began to decline, and at the end of the period a mechanic's dwelling could be obtained for about 6s. a week. The accommodation secured for this rent was generally superior, both in roominess and sanitation, to what could have been procured at the beginning of the period for about the same rent.

New South Wales and Victoria had up to the time of their separation the same tariff. Specific duties were levied on spirits and tobacco ; other goods were subject to a minimum tariff of 2 per cent *ad valorem*, or a general tariff of 10 per cent, the former being applied to imports from the United Kingdom and the latter to all other imports. For some little time after their separation the two colonies continued this tariff, but in 1851 they both revised their schedule of duties, sweeping away the preference given to the United Kingdom and making other important changes. The two tariffs were, however, not identical, but as the borderland of the two colonies was at that time practically undeveloped country, no particular inconvenience was caused by the difference in the duties levied. This condition did not last long. In 1852 the Ovens goldfield in Victoria, close to the border of New South Wales, was opened up, and the miners and storekeepers found it easier and cheaper to supply themselves from Sydney than from Melbourne. A regular escort was established to carry the gold to Sydney, and a service of teams brought back goods to the goldfields. No attempt was made to exact duties upon the goods which thus passed overland into Victoria. In 1853 the Murray River was opened to traffic, and such parts of the interior of New South Wales and Victoria as were accessible from the Murray began to be supplied by way of Adelaide. It was cheaper for goods to be taken to Bendigo from Maiden's Point than from Melbourne, and as a considerable trade sprang up it was impossible for the Victorian Government to ignore its loss of revenue. To avoid the placing of a chain of custom-houses along the Murray, it was arranged

between the Governments concerned that the duties should be collected at Adelaide by South Australian officers, on behalf of Victoria, and by this means trade across the river remained free, as it had been hitherto. Between New South Wales and Victoria there was no collection of duties on goods sent borderwise, either at Melbourne or Sydney, and, in order to make this arrangement equitable, the New South Wales Government assimilated its tariff to that of Victoria except in regard to refined sugar, upon which New South Wales maintained a higher duty, in the interests of its local manufacturers. This arrangement did not endure long. In 1856 a goldfield on the New South Wales side of the Murray was opened, to which transit across Victoria was considerably easier than across New South Wales; supplies for the new goldfields, therefore, came mainly from Melbourne. The understanding between the two Governments was not for any specified period, and, the Sydney merchants objecting to the loss of trade, the New South Wales Government denounced the informal customs treaty, established custom-houses at Albury and along the river frontier, and endeavoured to keep out goods coming by way of Melbourne by enforcing the second duty. The result was that considerable smuggling took place. The whole matter was one of the many incidents which demonstrated thus early the necessity of some central authority capable of dealing with questions affecting inter-colonial relations. There was a vague idea in England that, by making the Governor of New South Wales Governor-General of Australia and naming the first Governors of the other colonies Lieutenant-Governors, a check might be put on inter-colonial rivalry detrimental to the general interests of Australia. Naturally the expedient had little practical result before responsible government was conceded to the four eastern colonies, and after that event the designation of the various Governors was not a matter of any consequence, as the policy of each colony was decided by the parliaments then called into being.

VICTORIA

When it became certain that payable gold had been discovered in New South Wales, the merchants and other holders of stocks in Melbourne immediately put up the price of all kinds of goods likely to be in demand should a considerable population flock to the goldfields. Flour was advanced from £12 a ton to £25; sugar from 3½d. per lb. to 5½d. and 6d., and other goods were similarly raised in price. In a few weeks most articles were allowed to fall back to about their former price, in harmony with the conditions prevailing in Sydney. Flour, however, did not fall below £23 : 10s. a ton, and the 2-lb. loaf was sold at 6d. : these prices were maintained until November 1851, when the assurance of a good harvest throughout Australia brought flour down to £15 a ton and the 2-lb. loaf to 4½d.

In the meantime gold was found in various places throughout Victoria, and population began to increase very rapidly, so that by the end of November the demands of the storekeepers on the goldfields and in the towns, through which the gold-seekers passed on their way to the diggings, began to drain the stores of Melbourne. Prices thereafter advanced rapidly. In December 1851 butter cost 2s. to 2s. 6d. per lb., ham and bacon 2s. per lb.; flour was sold at £19 per ton, and the 2-lb. loaf at 9d. This latter was greatly out of proportion to the price of flour, even taken in conjunction with the rise in wages that had already taken place; it was due to the fact that the demand for bread even at 4½d. per lb. was in excess of the resources of the bakers' shops, and the master bakers reaped a rich harvest of which their workmen, at that time, took but a modest share. Groceries were advanced about 25 per cent, and vegetables from 50 to 100 per cent. Market gardeners were among the first to rush to the goldfields; the industry in the vicinity of Melbourne was almost abandoned, and the market was supplied to a considerable extent from Tasmania.

Nor was food the only commodity affected. The price of general hardware rose by more than 50 per cent, and special goods, such as shovels, spades, axes, and hollow-ware were increased in price up to 150 per cent. The prices of clothing of all kinds were greatly increased. In slop clothing the advance in the price of goods in stock was at least 30 per cent, and frequently 50 per cent; clothing and boots made to measure were increased very much more than ready-made goods, owing to the small number of tailors and shoemakers who remained at work. It is a singular thing that, ill-fitted as both tailors and shoemakers were for the laborious work of a digger, a proportionately larger number of these tradesmen betook themselves to the goldfields than of more qualified workmen.

Hotel charges were 50 per cent higher in December 1851 than in the previous year; house rents were purely arbitrary, the least advance was 50 per cent, but for small houses the increased rent was much more, as the smallest two-roomed cottage in Melbourne let for 12s. per week, which was twice as much as would have been paid twelve months earlier. Services which could not be put off were enormously increased in cost; thus for a set of shoes for a horse which formerly cost 5s. or 6s., 18s. or 20s. was demanded; the charge for cartage, whether in Melbourne itself or to the goldfields, was doubled, and even at the increased price the owners of teams considered they conferred a favour on their customers by accepting their goods. Melbourne had not in 1851 a regular water-supply and water was hawked round and sold at 9d. or 1s. a load in the readily accessible parts of the town, and at 1s. 6d. in the suburbs. In December 1851 the water-carriers had mostly left for the goldfields, and the delivery of water was in the hands of women, the charge for delivery being 3s. or 4s. a load in town, and 7s. in the suburban districts.

During the whole of 1852 there was a great increase of population in Victoria, but the increased demand for commodities of all kinds was far greater, as the stream of

gold issuing from the diggings had enlarged the spending capacity of every class in the community; indeed, so great was the demand that, in the early part of the year, there was a well-grounded fear, in the minds of the Governor and his advisers, lest the necessary supplies should not be forthcoming. In April 1852 there was even a general apprehension that there might be a famine within a few months. The fear of a dearth of supplies had this justification, that shipowners in London were perturbed at the large number of desertions from their ships and feared lest their vessels would be stranded in Port Phillip. There was in reality no ground for their alarm, as sailors could always be obtained at a price, but it was not the business of any trader or merchant in Melbourne to allay the alarm—their business was to reap their harvest, and prices, as will be seen, rose higher and higher. The value of goods imported in 1851 was £1,056,437; in 1852 it rose to £4,069,742, of this last amount one and three-quarter million came from the United Kingdom, and of the balance over two millions from the other Australian colonies. New South Wales, Tasmania, and South Australia reaped a rich harvest, sending to Melbourne their own produce in the form of timber, grain, live-stock, and vegetables, as well as their surplus of imported goods. The values set down in the official returns cannot be taken as the real value of the goods and produce poured into Victoria. There was certainly a large trade across the Murray from New South Wales not reckoned in the customs returns. Across the border came sheep and cattle in large numbers, and the important Ovens goldfield was supplied with almost all its requirements from New South Wales; South Australia early in 1852 relieved itself of the surplus goods for which its rapidly declining population offered no market, and a large part of this trade was transacted borderwise.

The prices attained in 1851 were thought at the time to be a temporary phase, due to the unsettled state of all descriptions of business following on the first gold rush;

many persons hoped that prices would almost immediately decline to something like their old figure, and that they would enjoy their advanced wages or earnings, actually and not almost nominally, as had so far proved to be the case, owing to the great advance in the cost of all necessaries. But prices had by no means reached their zenith.

The Government contracts, arranged at the beginning of 1852, showed increases over those of the previous year ranging between 10 and 250 per cent. The contract price of milk was 7d. per quart instead of 4d., that of colonial tobacco 4s. 6d. per lb. instead of 1s. 6d. For shoeing horses there were no tenders, the contractors stating that labour could not be obtained under eight guineas a week. The contract for carrying the mails from Melbourne to Albury was accepted at a price two and a half times that for 1851, and like, if not greater, rates were demanded all over the colony; in many cases the Government was compelled to reduce its postal service on account of the cost of carrying the mails. The contract for printing was let at twice the rates of 1851, and all other services, in which local labour entered at all largely, were similarly advanced. The Governor had planned important public works and buildings, but these enterprises were abandoned, and only buildings urgently required were undertaken. These were mainly police barracks, stores, and gaols, and even for these it was impossible in many cases to find a contractor willing to undertake the work at a fixed sum. Prices varied so greatly and within so short a time that builders could not estimate the probable cost of any work, the construction of which was likely to extend over more than a few weeks. Building materials, especially those of local origin, brought in some cases extraordinary prices. In April 1852 the price of rubble stone, which a few months before was 5s. the load, had advanced to 25s.; ordinary bricks rose from 28s. per thousand to 85s., and in December 1852 £12 or £13 was demanded, at which price large quantities were imported even from England. Sydney cedar was

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advanced from 25s. per hundred feet superficial to 50s., and slates from £9 : 10s. per thousand to £15 in April and £24 in December. Such being the conditions of the market for building materials, it cannot be wondered at that house rents were advanced to correspond.

Fodder for horses became very costly in spite of the good season. In April 1852 hay was sold at £14 a ton, and in December at £20, but another £6 had to be added to these prices if specially good produce were required. Oats were 9s. 6d. per bushel in April and 14s. in December. Fuel also had risen in price very much. In April 1852 a horse-load of wood, usually about 15 cwt., cost from 40s. to 65s., according to the part of Melbourne at which it was delivered. English coal cost £4 : 15s. per ton instead of £2, the price usually paid in the previous year, and New South Wales coal cost 75s. a ton instead of 30s. which was the former price; but even these were moderate compared with what was ruling in December 1852, when English coal brought £10 a ton and the New South Wales article £7.

Fresh meat was the only commodity which did not appear extremely dear to the newcomer to Melbourne. In April 1852 beef and mutton were usually sold at 3d. or 3½d. per lb., but even these prices were double those of the previous year and were considerably increased a few months later. The following is a list of the prices paid in December 1852 for ordinary articles of food :

Bread, per 2-lb. loaf	.	.	9d.
Flour, per ton	.	.	£21
Beef and mutton, per lb.	.	.	4d. to 6d.
Tea, family, per lb.	.	.	2s. 6d.
Tea, ration, per lb.	.	.	1s. 9d.
Sugar, family, per lb.	.	.	3½d.
Sugar, loaf, per lb.	.	.	8½d.
Coffee, per lb.	.	.	1s. 8d.
Cheese, English, per lb.	.	.	1s. 10d.
Eggs, per dozen	.	.	7s.
Bacon, per lb.	.	.	1s. 8d.
Butter, fresh, per lb.	.	.	3s.
Butter, salt, per lb.	.	.	2s. 3d.

Fowls, couple	12s.
Cabbages, each	10d. to 1s. 6d.
Cauliflowers, each	6d. to 2s.
Potatoes, per cwt. . . .	20s.

Fresh meat sold at the moderate price of 6d. a pound for good joints, the price of fat cattle being usually from £4 : 10s. to £6 each, and fat wethers 10s. to 12s. Animals used for draught purposes were greatly in demand and brought high prices. Heavy draught horses usually cost from £60 to £100, and for good pack-horses £30 was paid ; the waggons carrying goods to and from Melbourne were usually drawn by bullocks, and the cost of a working bullock ranged between £10 and £15, or more than twice that of fat cattle.

During 1853 goods were poured into Victoria in very large quantities, the customs value of the imports for the year being £15,842,637 ; to this total the United Kingdom contributed £8,250,000 and British colonies £5,600,000, the greater part, £1,668,606, of the balance coming from the United States. There was a decline in the retail prices of some descriptions of imported goods, but there was no general fall. The prices of goods of local manufacture or production continued to advance during the year. In March 1853 beef and mutton were rarely sold at less than 6d. per lb. ; the price of fresh butter was 3s. 6d. to 4s., potatoes were 4d. per lb. ; flour, which was £21 per ton in December 1852, rose to £27 in the following March. In August 1853 meat cost 7d. per lb., fresh butter 4s., colonial cheese 1s. 6d., and flour from £30 to £35 per ton according to quality. Vegetables and fruit were extremely scarce and dear. Cabbages cost 1s. 6d. to 2s. each, and cauliflowers 2s. to 2s. 6d. ; fowls were 14s. per couple, and eggs 5s. a dozen. But tea (2s. per lb.), coffee (1s. 7d.), and sugar (5½d.) were cheaper than they had been. The price of services was as high as ever ; for shoeing a horse the usual charge in Melbourne was 20s. ; on the roads and at the goldfields it was rarely less than 30s., and often enough 45s. was demanded.

In 1851 Melbourne was a town of 23,000 inhabitants. Its chief streets were broad and well built, but the smaller ones were narrow and unpaved, and contained mean little houses, most of them built of wood. A building Act had been passed in 1849, which provided that all future buildings within North Melbourne and Collingwood should be built of brick or stone, and fixed the minimum height of rooms, the thickness of walls, and so forth. It was expected that the result would be a great improvement in the housing accommodation. But the gold rush came before effect could be given to this well-intentioned legislation. In 1851 Melbourne was without any drainage system, and the only water for domestic consumption was that taken round by carriers who charged 2s. a load for it. The effect of pouring a flood of immigrants into such a place was to bring about the most deplorable conditions. The cost of water was an appreciable item, refuse of all kinds remained untouched in the premises of the poorer houses, and it was with difficulty the municipal authorities could obtain labour for the ordinary and pressing requirements of town sanitation. The streets were ploughed up by traffic in dry weather and were quagmires when it rained. The town was very badly lighted with oil and it was very dangerous to walk abroad after dark, both on account of the condition of the streets and the want of efficient police protection. Adequate accommodation for the newcomers was out of the question, as it was impossible to build houses for them; the demand was met by the erection, wherever a little space was available, of wooden or lath and plaster buildings of the flimsiest kind. In April 1852 a two-roomed "house" could not be got for less than 10s. per week, and frequently as much as 25s. was paid; for an old house with four small rooms from 20s. to 40s. a week could be obtained, and for newly built houses of the same type 30s. to 50s. These rates were increased later in the year, and the luxury of living in a house was beyond the means of the great majority of the immigrants, who were forced to live in tents or go without shelter. On the south

bank of the Yarra a regular encampment sprang up, which was known as Canvas Town. A charge of 5s. a week was made for the privilege of erecting a tent, and a special body of police took charge of the place. Even these measures could not provide for the stream of newcomers. At the close of 1852 rents were computed at £1 per room at least. Five or six-roomed houses built of brick let for £500 a year, and the Government found it necessary to make a special allowance to their employees of every class, to enable them to occupy decent dwellings. The sanitary condition of the town was shocking, and the authorities lived in daily fear of an epidemic. The mortality among young children was very high; even in 1853, when the sanitation had been somewhat improved, it was reported that the death-rate of children under one year was 1 in 3.¹/₂.

Towards the close of 1852 it was realized that Melbourne was a city with a future, and during 1853 building was carried on very briskly. Every kind of building, shops, warehouses, and, above all, dwelling-houses large and small, was needed. Capacious wharves were built so that goods and passengers were no longer discharged from the ships upon a morass, and a good road was made giving access to the town. The streets of Melbourne were paved, and the suburbs, St. Kilda, Prahran, and Brighton, arose.

In spite of the building fever, rents during 1853 were higher than they had ever been before. In April of that year a two-roomed cottage in Melbourne cost 30s. to 50s. per week; three-roomed houses in a terrace in Latrobe Street, for which 12s. a week was paid at the end of 1851, were let in August 1853 for 80s. and 84s. a week, but these were inferior places and it was difficult to obtain a good three-roomed cottage for less than £5 a week. The rent of a two-storied house containing five or six rooms was between £400 and £600 a year, and in a report to the Government the immigration agent set down the ordinary rent for a decent house as £100 a year for each room. During the year 1853 Canvas Town with its insanitary evils disappeared, but the sheltering of the people under roofs did not neces-

sarily make for proper sanitation. It can readily be imagined that many families had not the means of paying the rent of even the smallest house, and father, mother, and children huddled in one room was no uncommon spectacle; in many cases even this meagre accommodation was lacking, and more than one family shared the same room.

At the beginning of 1854 prices of agricultural and farm produce were still high. In February flour was selling at £35 per ton, the 2-lb. loaf at 10½d., fresh beef or mutton at 6d. or 7d. per lb.; fresh butter was 4s. per lb., fowls 16s. to 22s. per couple, new potatoes 6d. per lb., eggs 8s. a dozen, and milk 1s. 6d. to 2s. a quart; fruit and vegetables were so high-priced as to be beyond the means of all except the wealthy. Hay was £28 to £38 per ton, and the keep of a horse for one day in a Melbourne livery stable cost 20s. In imported articles of food there was little change of price. Tea cost from 2s. to 3s. per lb., sugar 4½d., salt butter 2s. 6d. These prices stood practically unchanged until about June, when they could no longer be sustained. During the next eighteen months, that is, until about the close of 1855, Victoria was affected by severe commercial depression, and prices were greatly disturbed. From Victoria the depression spread, in 1855, to the other Australian colonies, but the causes from which it arose were not so deep-seated in New South Wales, South Australia, or Tasmania as in Victoria, and a return to normal conditions was sooner effected.

In Victoria the situation became critical about September 1854, and a grave commercial crisis was upon the community almost without warning. The main factor in creating the crisis was undoubtedly the condition of the exchange with Europe. The immediate consequence of the immense production of gold in Victoria had been to disturb the exchanges. The resources of the banks were limited and the demands made upon them far more than they could meet. The alluvial gold obtained from Victoria was worth in England about 80s. an ounce, that is to say,

its average fineness was just above 22 carats. During 1852 and the greater part of 1853 the banks would not advance more than 40s. to 50s. per ounce on gold shipped to England, and as the ordinary digger required an immediate return for the gold he had won, he was usually forced to part with it to the storekeeper from whom he obtained supplies. The ordinary price of gold in Melbourne during 1852 was 70s. per ounce, and on the goldfields the prices ranged from 60s. to 65s. The large and certain profits obtained by gold-dealers at these rates brought after a time some competition, but the high charge made for advances on gold shipped to England kept down the price of gold in the markets of the colony, and in 1853 bullion was not worth more than 75s. an ounce in Melbourne and 65s. to 70s. on the goldfields. These transactions in bullion, in which every storekeeper, merchant, and banker was engaged, had a curious effect on their minds. The ordinary canons of trade were no longer thought to apply. Those who sold merchandise stocked what was convenient for them to handle or procure, the tempting of a customer to purchase being entirely foreign to their ideas. A man who entered a store was attended to somewhat as a favour. Merchants and bankers conducted their business on similar lines. In any circumstances prices would have risen in Victoria during the period immediately following the first gold rushes, as the supply of goods was deficient and the purchasing power of the people was greatly increased ; but the increase in prices was far greater than either of these factors would have warranted. The attitude of merchants and retailers has been referred to ; the attitude of purchasers was in keeping therewith. The disturbing effect of the sudden and enormous increase in a man's earning power was seen in the reckless disregard of money everywhere displayed. That the supply of gold in the creeks and valleys of Victoria was inexhaustible, no one seemed to doubt for a moment. In the estimation of men who were reaping a rich harvest from their claims, the value of a sovereign fell very greatly, and the prices they were

willing to pay for what they required or fancied rose consequently in a most extravagant way, so that what storekeepers asked and obtained for their wares bore no proportion to the increased demand nor to the increased cost, which the bringing of goods to the fields entailed. This effect was immensely added to by the fact that the increased wealth of the community came first into the hands of the working classes and permeated from below upwards, and not in the contrary direction, as is the usual experience. This was true not only in Victoria but to a lesser extent in New South Wales, South Australia, and Tasmania.

The amount of coin in circulation during 1852 and the first part of 1853 was comparatively small. The notes of the banks were the principal currency, and these were restricted in amount and well secured. According to accepted economic theories and in an ordinary community the conditions would have led to low prices, but this was not an ordinary community. The attitude of mind of the whole population towards buying and selling was, so to speak, a non-economic factor, which, while it lasted, negatived exact deductions according to established rules. The gold-dust won by the miners had a recognized and established value in the world's markets, but the miners had access to those markets only through the storekeepers. They brought their gold to the storekeepers and sold it to them at a price far below its value, allowing abundantly for all commercial charges for bringing the gold to the mints, and they bought such commodities as they required at almost any price the storekeepers chose to name. The storekeepers' dealings with the merchants and wholesale houses were on lines somewhat similar, especially where credit was given.

During part of 1852 there was a further reason for high prices. The markets were not well supplied, and at times there was an actual scarcity. In 1853 this was no longer the case; local merchants had had time to secure such supplies as they thought necessary for their business, and English merchants were flooding the markets with

goods sent on speculation. Nevertheless prices continued to advance. Every kind of commodity and service was affected—labour, rent, food-stuffs, and manufactures, both local and imported. During the whole of 1853 there were no signs of reaction, nor was any reaction anticipated, as it was thought that many years would elapse before the easily worked gold deposits would be exhausted. Men's minds were chiefly occupied with what surprising discovery the morrow would bring forth. Nevertheless the causes of an important change were already at work. During 1853 large quantities of gold coin were brought to Melbourne, and the bartering of crude gold for produce practically came to an end before 1854 was many months old. It was seen that the possession of gold for export meant a command of the exchanges between Europe and Australia, and competition set in amongst gold buyers for the purchase of gold-dust. The banks extended their branches to every part of the colony, and the miner was no longer compelled to sacrifice his gold to a storekeeper, but was able to obtain from a bank 77s. 6d. per ounce, which price, with the addition of 2s. 6d., the export duty, represented the full value of the metal. So far therefore as the realization of his earnings was concerned, the digger was at last free from the domination of the storekeeper or publican. A radical change was at the same time taking place in the relations between the storekeeper and his customer. The serious drought of 1854 had dried up the creeks, and there was no water to wash the gold-bearing gravel. The earnings of a large proportion of the miners were therefore much reduced, and the "flash digger," who scorned to take his change when his purchase was less than a sovereign, disappeared. The storekeepers were compelled, in order to obtain business, to attend to the special wants of their customers, lower their prices, and give credit. A similar change in their business methods was attempted by the merchants and importers of Melbourne, but, as in the case of the storekeepers, the change in many cases came too late.

During 1853 the imports to Victoria from Europe had been very large. In 1854 they were larger still. Much of this trade was purely speculative, and the directions of the consigners were, in most instances, that their goods should be sold at once. Early in 1854 it became well understood in England that the shipments to Australia had been greatly in excess of the requirements of the country, and a feeling of insecurity, in respect to Australian speculations, began to take the place of the unlimited confidence which had prevailed for several years. This was the subject of frequent newspaper articles, and the change of feeling led to pressure being put upon Australian merchants. Many of these, especially in Victoria, were persons of no stability, men who had rushed into speculative trading without thought of meeting their engagements, should their credit be stopped. The banks had been very ready to give accommodation, as they had very large deposits in their hands, but in 1854 they began to restrict this accommodation, men without capital went to the wall quickly, and bankruptcies became frequent. Speculative building ceased with the stoppage of credit, and large numbers of artisans were thrown out of employment. At the same time storekeepers began to restrict their purchases to their immediate requirements; workers in stores and warehouses and mercantile clerks were thrown out of employment, and wages fell rapidly; in many trades wages were reduced by one-half in the course of the year. Prices of other commodities also fell, rents began to decline, many imported goods could not be sold at the prices which were paid for them in England. Agricultural produce was the only class of goods which escaped the general fall in prices, a circumstance due to the serious drought of 1854-55. When all imported goods were cheap, grain, meat, and other farm produce alone were dear. Amongst imported goods building materials were the first to be affected. Bricks, which had been imported during the preceding year in very large quantities, both from other parts of Australia and from the United Kingdom,

fell to £8 a thousand; timber of all descriptions was greatly reduced—in fact, hardly any class of material used in house construction remained unaffected. Coal was selling in Melbourne in February at £7 to £8 a ton; this was New South Wales coal, as there was none other in the market. In April, English coal was on sale at £4 : 15s., and New South Wales coal at £2 : 17 : 6, but later in the year the respective prices of these coals were £3 : 5s. and £2 : 15s. per ton. Clothing was much lower in price, especially slop made. Men's strong boots were from 8s. to 18s. per pair, cotton shirts 2s. to 2s. 6d., mole-skin trousers 5s. 6d. to 7s. 6d. Vegetables were very dear at the beginning of the year; in February, potatoes cost 6d. per lb., cabbages 1s. each, and carrots 8d. per lb. These were the most common sort. As the year advanced prices grew lower all round, and small cauliflowers and cabbages could be had for 6d. each. Working men's families had for some time almost ceased to use vegetables, and even when prices fell towards the end of 1854 there was little increased demand, as the fall in prices was coincident with a considerable amount of unemployment.

During the first few months of 1854 there was no change in the amount of rent demanded for dwelling-houses in Melbourne, except perhaps that very small houses of decent appearance were slightly dearer, two-roomed cottages letting for £2 : 5s. to £3 : 5s. a week, and four-roomed cottages at from £4 : 10s. to £6 : 10s. There was a tendency for householders to occupy the very smallest houses compatible with decency, and the system, which was fairly general, of letting houses by the week, lent itself to this movement. From the middle of the year rents began to fall, first those of the more roomy houses and then those of smaller properties. In December the usual rent of a two-roomed cottage was from 25s. to 30s.; a four-roomed cottage could be obtained for £3 or £4 a week, and a house of five or six rooms for £300 or £400 a year.

The changed situation is very well summed up in two statements published by the Melbourne Labour Com-

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mittee, one issued in May 1854 and the other in the following November. These refer to the ordinary weekly expenses of a working-class family and are substantially correct, except that the price of meat in May is placed too high, as 1s. a pound was the price of the best joints, and the average price paid for meat by a working-class family in May 1854 would not exceed 9d. per lb.

	May 1854.		November 1854.	
	s.	d.	s.	d.
Rent of two small rooms	40	0	25	0
Water, 1 load	6	0	3	6
Wood	8	0	5	0
Meat, 18 lbs.	18	0	10	6
Bread, 7 (4-lb.) loaves	10	6	10	6
Potatoes, 10 lbs.	3	4	5	10
Tea, 1 lb.	2	0	2	0
Sugar, 4 lbs.	1	4	1	4
Butter, 1½ lb.	6	9	4	6
Candles	1	0	1	0
Soap	1	0	1	0
Flour	2	0	2	0
Sundries	2	0	2	0
	£5	1 11	£3	14 2

Making a correction for the price of meat, the comparison between May and November would be as £4 : 17 : 5 is to £3 : 14 : 2, a reduction of £1 : 3 : 3 a week, equal to just over 24 per cent. This was the first great step in the downward course of prices. In November 1854 it was obvious that the Australian harvest had failed. This failure was partial in New South Wales, but almost complete in South Australia. As arrangements had not been made to meet the contingency by the introduction of bread-stuffs from abroad, the price of flour began to go up, and in June 1855 the best quality flour was sold at £46 a ton and second flour at £40, the 2-lb. loaf being sold at 11d. Imported grain and flour began to arrive in August, the price of second quality flour fell to £27 a ton, and the 2-lb. loaf to 9d., but there was no further reduction—indeed, the promise of another poor harvest sent the price

of bread up to 10d. a loaf in December. In the prices of other articles of food there was little change. The value of goods imported during 1855 was £12,007,939 compared with £17,659,051 in 1854, but in spite of this considerable reduction there was no scarcity of imported goods, and prices continued to incline downwards. The following statement of the prices of slop clothing and other goods shows the average at the middle of 1855, and points to a reduction of about 10 per cent on the prices of the previous December, all the goods enumerated being imported from England :

Men's stout shoes, per pair	9s.	to 10s. 6d.
Women's stout shoes, per pair	4s.	„ 4s. 6d.
Wellington boots (imported), per pair	20s.	„ 25s.
Moleskin or fustian trousers	5s.	„ 7s.
Duck trousers	3s.	„ 5s.
Flannel shirts, each	3s. 6d.	„ 6s.
Blankets, per pair	11s.	„ 20s.

During 1856 prices grew steadily lower. There had been a reawakening of interest in agricultural pursuits in Victoria, the area under crop was considerably more than thrice that of the year preceding the gold discoveries, and agricultural produce was cheaper in consequence. By the end of the year dairy butter sold for 2s. or 2s. 6d. per lb., and salt butter for 1s. 10d. to 2s. 3d. ; milk was 1s. per quart, and bread 5½d. to 6d. per 2-lb. loaf ; vegetables and fruit were also cheaper. Imported goods reached their normal level in 1857, and their price did not vary to any marked extent during the rest of the period. The decline in the prices of local produce went on, with some fluctuations, during the years 1857-61 as the price of labour and carriage diminished. The price of fresh meat was an exception to the general rule ; this was increased rather materially in Melbourne towards the close of 1857, when good joints of beef were sold at 9d. per lb. and of mutton at 7d. In the following year the prices rose to 11d. and 9d. The increased price was ascribed by the public to a combination on the part of the butchers and cattle salesmen,

and was the cause of great indignation. High prices were maintained until the end of 1858, but from that time to the close of the period there was a steady decline, and in 1861 beef ranged between 2d. and 6d. per lb., according to the quality, and mutton was practically the same price.

The price of bread moved up and down during 1859 and 1860, the 2-lb. loaf running up from 5½d. to 6d. in January 1859, to 6½d. and 7d. in August, and to 7½d. in October, falling again to 5d. at the end of the year, and rising to 6½d. in May 1860; in the following October it was 4d. to 5d. according to quality. During twenty-one months there were at least eight deliberate changes in the price of the loaf. The bakers purchased flour in small quantities from the merchants and kept no great stocks, so that from time to time two or three allied merchants found themselves in command of the market and in a position to advance the price of bread to the whole community. Dairying made great progress during this period, and milk, which previous to 1856 was rarely below 1s. 6d. a quart, fell to 1s. in the year named, and in 1861 was sold regularly in Melbourne at 6d.; the price of butter was also greatly reduced, so that in 1861 fresh butter could be obtained at 1s. 6d. per lb. There was a considerable decline in the price of fruit and vegetables in Melbourne from the beginning of 1859, when the market gardeners adopted the plan of selling their produce in the streets from stalls and barrows, instead of relying upon the very defective markets. In 1861 potatoes were sold at ½d. to 1d. per lb., and cabbages 1½d. to 6d. each—in fact, prices had returned to about the level at which they stood before the gold discoveries. Ready-made clothing, which was still imported from England, was cheap, bespoke-work again became common, as there were more than sufficient tailors available for this class of work, and prices adjusted themselves to the new wage conditions.

Archer, the Registrar-General of Victoria, gave in 1861 the following account of the typical expenses for one week of an artisan's family, consisting of a man, his wife,

and three children, in 1857 and 1861 ; it is a very reasonable estimate both as to prices and quantities consumed :

			1857.		1861.			
			s.	d.	s.	d.		
Bread	28 lbs.	.	6	8 $\frac{3}{4}$	5	3		
Beef or mutton	21 „	.	12	3	6	10		
Potatoes	21 „	.	2	10 $\frac{1}{2}$	1	0		
Flour	5 „	.	1	2 $\frac{1}{4}$	1	0		
Tea	1 lb.	.	2	6	2	9		
Sugar	6 lbs.	.	2	6	2	3		
Soap	3 „	.	1	0	0	9		
Candles	2 „	.	1	4	1	2		
Milk	7 pints	.	3	6	2	4		
Butter	2 lbs.	.	5	6	3	0		
Firewood	$\frac{1}{4}$ ton	.	6	0	4	0		
Water	1 load	.	5	0	2	0		
Rent of a cottage	.	.	10	0	6	0		
Clothing	.	.	10	0	6	0		
School fees	.	.	3	0	3	0		
			<hr/>		<hr/>			
			£3	13	4 $\frac{1}{2}$	£2	7	4

If the figures given for 1861 be compared with those put forward by the Labour Committee for December 1854 it will be found that the reduction in the cost of living amounted in the interval of seven years to about 54 per cent. The fall in rents was equivalent to 76 per cent and in other expenses 43 per cent. The decline in rents was very marked from 1854 onward. In June 1855 the rent of a two-roomed cottage had fallen to 10s. a week, and by the end of the same year it was 7s. 6d. The fall in the rents of other classes of dwellings was even greater. A four-roomed cottage would have let in June 1855 for between 20s. and 30s., six months later from 15s. to 20s. a week would have been accepted, and in the case of houses of five or six rooms the reduction was from £25 a month to £5. Towards the end of the period there were still further reductions, and in 1861 a four-roomed cottage would be let for 6s. a week. Rents were affected in the same way as all goods and services, the price of which, as herein recorded, was greatly reduced as the period drew

to a close, but there was a further cause which tended to depress rents, viz. the rise of important and convenient suburbs all round Melbourne. In these suburbs not only artisans but well-to-do people established themselves, to the great detriment of the residential parts of the city.

The depression of 1854 put a stop to building, but it did not lessen the efforts of the Government to improve the condition of the towns. In December 1854 a "Health Act" was passed "to make more effectual provision for the sanitary condition of towns and populous places." It could be applied to any area at the discretion of the Government. Under the provisions of the Act a Board of Health was constituted, and it was provided that an Officer of Health should be appointed for each place to which it was applied. The duties of Officers of Health were generally, to have an oversight of the sanitation of their districts, to inspect food offered for sale therein and seize any found to be unwholesome. They were also empowered to make regulations for the notification of infectious diseases. The Act marked a great advance in social legislation, and as municipal institutions were establishing themselves firmly in Victoria, it was easy to apply the provisions to populous districts.

The housing of the working class had therefore improved very much before the period closed. Yet even in 1861 there were only 18,990 houses of stone or brick in the whole colony, whereas nearly 60,000 were built of wood, iron, or lath and plaster, and there were in occupation 42,750 tents or dwellings with canvas roofs. At the time the census was taken 100,849 persons, other than Chinese, were living in tents and 32,614 in huts. These figures represent about 26 per cent of the white population. The tents were found to be chiefly on the goldfields, where they formed the usual dwellings of the diggers. Great improvements had nevertheless been made in the housing conditions of the gold towns. Better sanitation had been secured and proper water-supplies. The diggers had their families with them, as a rule, and their tents were often surrounded with small

gardens in which they grew vegetables and fruit. The Yan Yean waterworks had meantime secured a good water supply to Melbourne, and in May 1855 the South Yarra waterworks were incorporated, which extended to the outlying suburbs a similar advantage. The Melbourne Gas Company began operations in 1855, but as the cost of gas was 25s. per 1000 feet it was not extensively used.

THE VICTORIAN GOLDFIELDS

So far the prices discussed have been those of Melbourne, except where the contrary is stated. The immediate effect of the gold discoveries was to draw population to districts which were far removed from any source whence they could conveniently draw supplies. In the years 1851 and 1852 proper roads did not exist in Victoria, and teams proceeding from Melbourne to the goldfields of Ballarat and Mount Alexander had often the greatest difficulty in making their way to their destination. This was especially the case in winter. For the first few months after the discovery of the precious metal nothing but the barest necessities were procurable at the mining camps: meat, damper, or some other form of bread, accompanied possibly by tea, was the miner's fare at every meal. The meat cost little enough, 3d. or 4d. per lb., for it could be obtained from the neighbouring sheep and cattle runs, but bread and flour were dear. With the coming of summer carriage became less difficult, and stores were soon established on all the goldfields. During the first four months of 1852 the average prices of the chief articles of food at Ballarat were:

	<i>s.</i>	<i>d.</i>
Flour, per lb.	0	6
Bread, 2-lb. loaf	0	11
Tea, per lb.	2	6
Sugar, per lb.	0	6
Meat, per lb.	0	3½
Milk, per quart	3	4
Bacon, per lb.	3	0

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	s.	d.
Butter, per lb.	2	11
Potatoes, per lb.	0	5
Tallow candles, per lb.	1	5
Tobacco, per lb.	8	6

Large numbers of bullock and horse teams journeyed to and fro between Melbourne and the goldfields. In seasons when the ground surface was hard and feed good, carriage usually cost £25 or £26 a ton; in the rainy season the road surfaces were quagmires, and the cost mounted up to £140 a ton. At other times the charge was between these two extremes, but usually under £60. The lowest rate quoted represents 2 $\frac{3}{4}$ d. per lb. and the highest 1s. 3d., so that it is easy to understand the great variations in prices experienced on the goldfields within a few weeks. At Mount Alexander sugar was sold at 8d. per lb. in May 1852 and at 1s. 6d. in June; salt was 9d. in May and 1s. 6d. in June; and boots which were 25s. a pair in May rose to 40s. before June was over. All descriptions of goods were similarly affected. Most men came to the goldfields to dig; even the storekeepers, being diggers as well as traders, were out all day in their endeavour to win gold, and the stores were open only at night. It is therefore easy to understand that any services entailing the abandonment of gold-seeking were out of favour, and the cost of all kinds of personal service was very high. Washing cost 7s. or 8s. per dozen articles, and the shoeing of a horse never less than 25s. Menial service was not procurable.

Prices were higher on the Ovens River diggings than even at Mount Alexander, partly because the diggings were new, but mainly because they were so difficult of access. There was no direct road from Melbourne to the goldfield, and all supplies came from Sydney by way of Albury. During December 1852 flour cost from 1s. to 1s. 4d. per lb., sugar from 1s. to 1s. 6d., tallow candles 2s. 6d., butter 3s., and soap 2s. Oats cost from 60s. to 70s. per bushel, and maize from 40s. to 50s. The Victorian Government was fully alive to the need for good communication with the

diggings, and owing to the construction of serviceable roads the cost of carriage was sensibly diminished during the opening months of 1853, though communication by road was still liable to interruption and delay through seasonal causes. Thus in January 1853 the cost of carrying goods from Melbourne to Ballarat or Mount Alexander was for ordinary goods about £12 or £15 a ton, but in July and August of the same year the cost was £60 a ton, £80 to Bendigo and the newly discovered McIvor diggings, and £120 per ton to the Ovens field. At these high rates, of course, only goods urgently needed could be carried, and the storekeepers endeavoured, so far as they were able, to fill up their stocks during the seasons of easy travelling, so as to avoid violent oscillations in prices. In this, of course, they could only be partially successful, and occasionally there was the spectacle of 5s. 6d. per lb. being demanded for butter, 1s. 6d. for common sugar, and 1s. 3d. for flour. The staple food amongst the miners even in 1854 was still meat, tea, and damper. Vegetables were almost unused; there were practically no market gardeners in the neighbourhood of the goldfields. Potatoes from Tasmania were the only vegetables to be seen, and their use was not common as the price was usually from 6d. to 1s. per lb. The milk supply was poor in quality, deficient in quantity, the price was rarely less than 2s. per quart and frequently much more. The supply of drinking-water on all the goldfields was very bad, and as licensed houses were forbidden on the diggings themselves "sly grog shops" were very common.

In 1854 and 1855 the roads to the diggings were very much better than they had been; during the winter of 1855 carriage from Melbourne to Mount Alexander did not rise above £16 per ton, and even to the Ovens district it was not more than from £25 to £45, according to the description of goods carried. This decrease in the cost of carriage was coincident with lower prices in Melbourne, but residents on the goldfields had not the advantage in lower prices that might have been expected, mainly because

the increase of people on the fields was faster than the ability of the storekeepers to supply them with goods.

After 1855 much attention was given to farming in Victoria, and the cultivation of land in the neighbourhood of the goldfields enabled residents on the fields to obtain a fair supply of vegetables at cheap rates. The towns began to lose the appearance of a camp, the stores became shops, and in the important towns of Ballarat, Bendigo, and Castlemaine the business premises were often as large, if not as imposing, as those of Melbourne, and exhibited a similar variety of goods.

The opening of the railways in 1859 had a very favourable effect upon prices at the goldfields, which were quickly assimilated to those of Melbourne, but even before that time the opening up of the River Murray to traffic had done something to facilitate distribution in the northern and western parts of the colony.

SOUTH AUSTRALIA

The news of the discovery of gold in New South Wales very quickly affected prices in South Australia, and when speculators in New South Wales, in anticipation of a great accession to the population of that colony, sought to obtain control of supplies of grain, potatoes, and other farm produce, prices in Adelaide rose very rapidly. In March 1851 the price of wheat in Adelaide was 4s. 9d. per bushel, at the beginning of June it was 10s. 6d. a bushel, and flour £17 a ton. Before June was over £28 a ton was demanded, and the quartern loaf was sold at 1s. On 17th June the retail prices of ordinary provisions in Adelaide were as set out in the accompanying list, which shows a marked advance on the prices obtained six months previously :

Butter, per lb.	.	.	.	1s. 10d. to 2s. 4d.
Cheese, per lb.	.	.	.	8d. to 10d.
Milk, per quart	.	.	.	4d. to 6d.
Eggs, per doz.	.	.	.	1s. 4d. to 1s. 6d.
Pork, per lb.	.	.	.	5d. to 6d.

Ham, per lb.	.	.	.	1s. to 1s. 6d.
Bacon, per lb.	.	.	.	10d.
Potatoes, per cwt.	.	.	.	5s. to 6s.
Onions, per lb.	.	.	.	3d.

The rise in the price of flour and bread came at a very inopportune time, when there was much distress amongst the working class. On 20th June 1851 a public meeting was held at Adelaide, to demand the imposition of a temporary export duty on wheat and flour, with the object of stopping exportation, especially in the form of speculative shipments. The Governor declined to accede to this suggestion, as he fully expected that there would be a fall in prices before many weeks were over, and even if such should prove not to be the case, he regarded any attempt to lower prices in the manner suggested as likely to be quite futile. The fall in prices anticipated by the Governor was not long delayed. At the end of July 1851 wheat was selling at 7s. 6d. per bushel, and ordinary second flour at £20 a ton, in both cases welcome reductions on the prices of the previous month, and at the close of the year bread was selling at 6d. per quartern loaf, and flour at 1½d. per lb., while beef, mutton, and pork, as well as eggs, cheese, and bacon, were about the same price as before the gold discoveries. The peculiar position of the currency of the Province at this time is discussed elsewhere; it was such that the purchase of articles other than staple food necessities was practically suspended. During the first three months of 1852 prices continued low, but the entire stagnation of trade, due to the absence of currency, ceased in February; the export trade, which had been suspended for lack of labour to handle produce, showed some signs of revival, and before the end of June business returned to normal conditions under the influence of the increased population and the inflow of gold from Victoria. Prices rose steadily, and in September 1852 goods were retailed in Adelaide at the following rates:

Beef and mutton, per lb.	.	.	.	5d.
Bread, per 4-lb. loaf	.	.	.	1s. 4d.

Flour, per lb.	. . .	4½d.
Butter, per lb.	. . .	1s. 2d.
Cheese, per lb.	. . .	1s. 3d. to 1s. 6d.
Eggs, per doz.	. . .	1s. 8d.
Bacon, per lb.	. . .	10d. to 1s.
Potatoes, per cwt.	. . .	11s. to 12s.

Imported articles of food, such as sugar, tea, and rice, were advanced in price towards the close of the year, under the influence of the trade revival. Tea of ordinary quality rose from 2s. to 2s. 6d. per lb., sugar from 3d. to 3½d., and rice from 2½d. to 3d. Clothing became much dearer, prices in Adelaide being about one-third more than in Sydney for goods of equal quality.

Rents were low at the close of the previous period, 4s. per week being the ordinary rent of a town dwelling suitable for an artisan and his family, and while the general exodus of 1851 and 1852 lasted rents became merely nominal; with the improvement in the condition of the Province towards the middle of 1852, rents recovered and advanced somewhat, 5s. a week being usually paid for an artisan's house, and even 8s. when the house had a good situation or was otherwise attractive.

During 1853 the tide of immigration was running strongly to Australia, and South Australia felt the beneficial effects of the increased population in the demand for bread-stuffs, of which the Province was at that time the chief producer. During the first quarter of 1853 the average price of bread was 10d. per quartern loaf, while flour was 3d. per lb., but as the year advanced the price of bread rose to 1s. 2d. The price of meat and other food was increased in something like the same proportion. Taking the whole year the average wholesale price of wheat in Adelaide was 8s. 1½d. a bushel compared with 6s. 6d. in 1852.

The trade of South Australia, like that of Victoria and New South Wales, underwent extraordinary development. In 1851 the imports were valued at £690,777 and in 1852 £798,811, but in 1853 they rose to £2,336,290, which is equivalent to nearly £32 per inhabitant. This increase,

apparently so excessive, was occasioned partly by a real demand for more commodities, but mainly by the enterprise of the local merchants, who were able to use Adelaide as a base for sending supplies to Victoria, and a considerable proportion of the goods brought to South Australia was re-exported. South Australia, like New South Wales and Tasmania, was in 1852 and 1853 engaged in large commercial dealings with Victoria, and exported thither all its reserves of imported goods as well as much colonial produce. The re-export from Adelaide was a genuine trade: the goods were warehoused in Adelaide, handled and repacked—not merely transferred from one ship to another—and at all times the Province was well supplied with articles of common utility. Rents which, as we have seen, were rising in 1852 rose still further, and in 1853 a workman's dwelling in Adelaide, of the most ordinary description, could not be obtained at less than from 8s. to 10s. a week. This upward movement continued during the following year, when the rent of the cheapest dwelling procurable was 10s. per week, and there was a rapid advance in the price of building sites.

The harvest at the end of 1853 was excellent, and though no statistics were collected, the Governor stated that more land was in cultivation than in any previous year. A very profitable export trade was carried on with Victoria, wheat and flour being sent away in large quantities, especially flour. The difficulty in obtaining labour led to the closing of some of the Victorian flour-mills, to the great advantage of the millers of South Australia, and in March 1854 thirty-two mills for grinding and dressing grain were at work in the Province, and nineteen others were in course of erection. All forms of agricultural produce benefited by the Victorian demand; amongst other things hay pressed and trussed was exported in large quantities, and very profitably, as well as butter, cheese, and fresh fruit. During 1854 the price of flour in South Australia averaged $4\frac{1}{2}$ d. per lb. and bread 1s. 4d. per quartern loaf; fresh butter showed some seasonal varia-

tions in price, and ranged from 1s. 6d. to 2s. 8d. per lb., being more often in the neighbourhood of the maximum price than of the minimum; cheese was 1s. 5½d. per lb., as compared with 1s. per lb. in 1853. Beef and mutton were comparatively dear at 9d. per lb. during the first nine months of the year, but in September the graziers became anxious, owing to the threatened drought, to get rid of their stock, and prices fell to 6d. and 8d. per lb.

The harvest of 1854–55 proved very scanty, not only in South Australia, but in all the other Australian colonies, and food-stuffs at once became dear. Bread was sold at 1s. 6d. per quartern loaf at the beginning of the year, and from April onwards at 1s. 8d., flour being retailed at 7d. a pound and sold wholesale at £50 a ton. Prices would have gone still higher had not considerable quantities of flour arrived in October from Valparaiso in Chili; but even so they were not reduced until it was certain that a good harvest was assured, when they rapidly fell, as holders were anxious to dispose of the stocks before the new wheat could come in. Drought conditions again prevailed during the first half of 1855, and affected all descriptions of food products. Fresh butter sold at 2s. 6d. to 3s. per lb. until the bountiful rains in the second half of the year gave fine pasturage, when the price fell to 1s. 6d. Meat remained comparatively dear during the whole of 1855, ranging from 6d. to 9d. per lb., and milk, which was usually sold at 4d. per quart, rose to 8d. early in the year, at which price it remained until October. The price of all commodities other than agricultural and dairy produce fell away during 1855; in some cases the fall was considerable, as business was depressed in Adelaide, and prices were no longer sustained by those in the Victorian markets. The fall in rents was equal to about a fifth, and for a workman's house of four rooms, including the kitchen, which would have let for 10s. a week in 1854, not more than 8s. could be obtained in the following year.

The harvest of 1855 proved to be bountiful and the farmers were encouraged to renewed activity. During

1856 much additional land was brought into cultivation, and as the season was again propitious, the wheat crop being the largest the Province had seen, there was a large exportable surplus of all produce. The conditions of Victoria, South Australia's chief customer for bread-stuffs, had greatly changed during 1856, and the demand in the colony for imported produce was greatly curtailed. This diminished demand reacted on prices, which rapidly fell away. In June 1856 flour was selling in Adelaide at 2½d. per lb. and the quartern loaf at 10d. ; potatoes were 1d. a pound, and meat from 4d. to 6d. Fresh butter was 1s. 10d. per lb. in June 1856, falling to 1s. 2d. in the following September. Taken as a whole, the prices of farm produce at Adelaide during 1856 showed an immense reduction in comparison with those of 1855, as the following official returns clearly show :

	1855.			1856.		
	£	s.	d.	£	s.	d.
Wheat, per bushel . . .	0	15	6	0	8	0
Barley, per bushel . . .	0	7	6	0	4	6
Oats, per bushel . . .	0	7	0	0	5	1
Potatoes, per ton . . .	23	15	0	6	12	0
Hay, per ton.	7	12	0	3	7	6
Butter (fresh) per lb. . .	0	2	2	0	1	5 ¹ / ₂
Cheese, per lb.	0	1	0	0	0	7 ³ / ₄

With the exception of wheat, prices were as low as in 1851. Imported goods remained low-priced, and there was a further slight fall in rents in Adelaide, where workmen's dwellings could be had for 7s. per week, only the best class of cottages bringing higher rents.

The condition of the Province of South Australia from 1857 to the close of the period favoured lower prices, and there would have been a much greater reduction had not drought conditions prevailed during several years, making the yield of farm and dairy produce much below the normal. The year 1859 was especially bad in regard to agricultural production ; in that year wheat was sold at 9s. a bushel as compared with 6s. 8d. in 1858, and bread was 1s. per quartern as against 10d. The price of milk

was 7d. or $7\frac{1}{2}$ d. per quart from 1857 to 1860, and butter, which cost 1s. 6d. per lb. in 1856 and 1857, rose to 1s. 11d. in 1858, and to 2s. 1d. in 1859. In 1860 the rainfall was seasonal and abundant; prices fell at once, and declined still further in 1861. In the year last named the average price of flour was £14 per ton, the quartern loaf was sold for 7d., and, speaking generally, the prices of commodities were lower than they had been at any time since the derangement caused by the gold discoveries. The following were the average retail prices of some of the principal articles of consumption during 1859 :

	s.	d.
Bread, per quartern	0	7
Butter (fresh), per lb.	0	11
„ (salt), per lb.	0	9
Colonial cheese, per lb.	0	8
Milk, per quart	0	5
Coffee, per lb.	1	6
Tobacco, per lb.	4	0
Beef, per lb.	0	$4\frac{3}{4}$
Mutton, per lb.	0	$4\frac{3}{4}$
Pork, per lb.	0	9
Rice, per lb.	0	3
Sugar, per lb.	0	5
Tea, per lb.	2	9

TASMANIA

The course of prices in Tasmania during the gold period was very much the same as in the other Australian colonies. As soon as the New South Wales merchants began to make large purchases in anticipation of the demands of the goldfields, prices rose, and in June 1851 wheat was selling at 9s. per bushel and flour at £20 per ton, as compared with 4s. and £9 : 10s. respectively, the prices at the same period of the preceding year. Practically all kinds of grain were double the price they had been in 1850, and bread was advanced in price from $2\frac{1}{2}$ d. to $4\frac{1}{2}$ d. per 2-lb. loaf. In most other articles there was little change. Beef and mutton still cost $2\frac{1}{2}$ d. to 3d. per lb., butter 1s. 2d.,

sugar 6d., and tea of the cheapest kinds from 1s. to 1s. 6d. per lb.

The anticipations of the speculators not having been realized, there was a drop in the price of wheat and flour on the approach of the harvest, which promised to be abundant, and in November 1851 wheat was 6s. 3d. per bushel and bread $3\frac{1}{2}$ d. per 2-lb. loaf; on the other hand, there was a marked increase in the price of cattle and sheep. Tasmania was at the time primarily dependent upon Victoria for its meat supply, and the disturbance in trade routes, following upon the rush to the goldfields, led to increased prices. Horned cattle, which at the beginning of the year 1851 had sold for £7 : 10s., fetched £11 at the end, and the price of sheep rose from 8s. to 13s., while mutton was retailed at $3\frac{1}{2}$ d. per lb. and beef at $4\frac{1}{2}$ d., an advance of 1d. and 2d. per lb.

Owing to the abundant harvests, both in Australia and Tasmania, the price of wheat fell to 5s. per bushel in January and February 1852, but did not remain low for any length of time, as a genuine demand for increased supplies really existed on the goldfields, which were now fast growing in population. For the second quarter of the year the average price was 9s. per bushel, and before the year ended it had reached 11s., while the 2-lb. loaf sold for 5d. The beneficial effects of the demand for Tasmanian produce by the Victorian goldfields may be seen from the trade returns. In 1850 the exports to Victoria were valued at £118,444. In 1851 the exports to British colonies were valued at £312,569; in 1852 the amount had increased to £701,409; and in both years by far the greater part of these exports went to Victoria, directly or indirectly. Besides this export of native products, there was a brisk trade with Victoria in boots and shoes, carts and other imported manufactured goods. These goods had been brought to Tasmania for local use or consumption, and so profitable was the Victorian trade that the island was practically denuded of its stocks to supply the goldfields. It was largely the necessity of

replacing these goods, and the expectation of a continued and profitable re-exportation of British and other European goods, that led to the enormously increased importation of the two following years.

In June 1852 an official record of prices in Tasmania showed that almost every article in common use had increased very much in price. The following table of prices in June 1851 and the same month of 1852 shows how great was the increase :

	1851.		1852.	
	s.	d.	s.	d.
Tanned cowskins . . .	0	9	4	0
„ calfskins . . .	2	0	6	0
Wellington boots, pair .	25	0	50	0
Ankle boots, pair . . .	12	0	22	0
Trousers, pair . . .	30	0	41	0
Waistcoats . . .	25	0	31	0
Washing, per dozen . .	2	0	3	0
Cut firewood, per ton .	13	0	26	0
Coals (Tasmanian), per ton .	10	0	17	0

At the end of October 1852 Denison became anxious on account of the great advance in the cost of the supplies for the Commissariat Department, and wrote to England suggesting that flour, grain, and salt meat should be sent out from England, in sufficient quantities to serve for the military and the convicts victualled by the Government. He estimated that the wheat crop would not amount to more than one-half that of the previous year, and as flour was then selling at £35 to £40 per ton he anticipated a further great increase in price. The English Government did not follow the Governor's advice, as it was opposed on general principles to undertaking the business of importers, and, moreover, it was argued that, in the then condition of the Australian trade, the importation by the Government of large quantities of wheat or flour would interfere greatly with the arrangements of private merchants, who might perhaps abandon the trade, and so diminish the supplies and enhance prices generally rather than lower them.

As Denison had anticipated, the harvest was deficient, but this deficiency was also foreseen by the merchant speculators, who took measures for the importation of both grain and flour, so that in spite of the bad harvest there was a great fall in the prices of food-stuffs, which lasted until the importers gained control of the markets. During March 1853 prices began to advance, and by the end of that month flour sold at £30 per ton and bread at 7d. per 2-lb. loaf. Hay was £17 per ton, apples 17s. to 18s. per bushel, butter 2s. 6d. or slightly more per lb., and eggs 3s. a dozen; cheese of local make 1s. 6d. a pound; meat was also much dearer, beef being from 6d. to 8d. per lb., and mutton 5d. to 6d. As the year advanced prices rose higher still, and the 2-lb. loaf sold at 7½d. or 8d. in September, beef at 11d. per lb., mutton 8d., ham and bacon 1s. 6d. In March 1854 wheat cost 14s. 6d. to 15s. per bushel, and potatoes were from £20 to £25 per ton. Imported coals, which had been £3 a ton in June 1852, now sold at £4:10s. per ton, and firewood at 20s. to 25s. per load.

During 1853 goods were imported from England in very large quantities, the total for the year being £2,273,397, and in 1854 there were still larger importations, amounting in value to £2,604,680. The excess of imported goods which filled the market produced in 1854 a marked decline in the price of clothing and other "soft goods," but there was no decline in the price of food, home-grown or imported.

The harvest of 1854-55 was poor in Tasmania and worse still on the mainland. The disturbance of trade caused by the Crimean War prevented the ready import of grain from Europe or South America, and as a consequence prices were high everywhere. In December 1854 flour was selling in Hobart at £38 per ton, and bread was 7½d. per 2-lb. loaf; potatoes were 28s. per cwt., and butter 2s. 6d. per lb. During 1855 food was still more costly, and this, coupled with irregular employment, caused considerable distress among the poorer classes. The 2-lb. loaf rose to 10d., and flour to £48 and £50 per ton.

The demand for Tasmanian produce in Victoria fell

off very much during 1854, owing to the depressed condition of that colony: the surplus stocks of British manufactured goods could not now be re-exported, and Tasmania approached very close to a severe commercial crisis. The value of the exports was far behind that of the imports, and large quantities of goods remained unsaleable in the warehouses. The imports during 1855 were over a million sterling less than in 1854, but still in excess of the requirements of the colony; nearly all classes of imported goods were greatly reduced in price and all traders suffered, but the chief losses fell on the English houses that had deluged the country with unconsumable goods.

In 1856 there was a marked fall in prices. The harvest had been good, and the 2-lb. loaf sold for 6d. Most descriptions of local produce were also cheaper: milk fell from 9d. to 7d. per quart and fresh butter from 2s. 7½d. to 2s. 4d. per lb., and potatoes cost on an average 10s. per ewt. In the following year there was a further decline in the price of bread, the 2-lb. loaf selling for 4½d.; but meat, which was now largely imported, was dearer, beef costing 7d. per lb. instead of 6½d., and mutton 7½d. instead of 6½d. Tea and sugar were also dear; the commoner sorts of tea cost 2s. 6d. per lb., raw sugar was 5d. and loaf sugar 10d. per lb.

With the year 1857 the disturbing influence of the gold rushes may be said to have ended so far as Tasmania was concerned. Thence to the end of the period prices gradually declined until in 1860 they were normal, having regard to the industrial condition and development of the country. Although prices at the close of the period were much below those obtaining at the height of the gold discoveries in Victoria, they were substantially higher than at the beginning of the period. Bread was 5d. per 2-lb. loaf in 1860 compared with 3½d. to 4d. in 1851; butter 2s. per lb. as against 1s. 1½d.; cheese 1s. 11d. per lb. as against 1s. 2d.; beef was 7d., mutton 7d., and pork 11½d. compared with 4d., 3d., and 4d. Nearly all commodities had

risen in price in something like the same rates, but wages were also decidedly higher. It should however be remembered, in comparing the years immediately before and after the gold period, that in 1851 a much smaller proportion of the wage-earners provided their own food than in 1861, and therefore the wage superiority of the end of the period is not quite as great as a mere statement of the money wages would indicate.

WESTERN AUSTRALIA

The retail prices of some of the articles of ordinary consumption in Western Australia before the gold discoveries were as follows :

	s.	d.
Bread, per quartern . . .	0	10
Butter (fresh), per lb. . .	1	4
Cheese .. .	1	1
Candles .. .	0	7
Flour .. .	0	2 $\frac{1}{4}$
Meat .. .	0	4
Potatoes .. .	0	9
Rice .. .	0	2
Sugar .. .	0	3 $\frac{1}{2}$
Soap .. .	0	6
Tea .. .	2	0
Tobacco .. .	2	6

Prices of most descriptions of goods rose after the gold discoveries, but the increase was not large, as Western Australia was not supplied with goods to any great extent by the eastern states. The stirring events of the gold rushes left the western colony almost untouched, and prices showed no tendency to the wide oscillations observable in the colonies more immediately affected by the gold discoveries. The average prices of some ordinary commodities in 1860 were : salted butter 2s., cheese 1s. 6d., beef and mutton 6d., pork 1s., rice 2d., coffee 1s. 6d., tea 2s., sugar 4d., and tobacco 3s. 6d., all per lb. ; wheat 7s. 6d. a bushel, bread 1s. the quartern, and milk 6d. a quart.

IX

THE RAILWAY BEGINNINGS OF AUSTRALIA

THE large increase in the population of Australia, in the early 'forties, gave point to the demand for better means of communication with the interior of the continent than then existed, and numerous projects for railway construction were mooted. Most of them were purely fantastic, and based on an erroneous view of the cost of railway equipment and construction; but rumours concerning them had reached England, and in January 1846 Gladstone, who was at that time Secretary of State, sent a circular despatch to the Governors of the Australian colonies, in which he indicated the principles which should govern local legislation in railway matters. Gladstone's instructions related to the initial securing of capital, the right of the Government to amend railway regulations, the carriage of mails and of troops over all lines, and various other matters of like character. The despatch left great freedom to the local legislatures in drawing up their Railway Bills, but gave useful general outlines, which the experience of the United Kingdom suggested should be embodied in such legislation for the public good.

NEW SOUTH WALES

Prior to the gold discoveries the Government of New South Wales had contented itself with the maintenance of four main roads leading out of Sydney, which were extended as settlement advanced, the subsidiary roads being practi-

cally unearned for. There had been much discussion in Australia concerning the need for railway communication with the interior, but the Government was indisposed to depart from English precedent and enter upon the business of railway construction and management, which was considered a matter to be left to private enterprise. In June 1848 the Legislative Council passed a series of resolutions, suggesting that land grants should be made to any company undertaking the business of railway construction, and that the colony should subscribe £30,000 to the capital of any such company and guarantee interest on £100,000. Relying on the promises contained in these resolutions the Sydney Railroad and Tramway Company was formed with a capital of £100,000, having for its object the construction of railways from Sydney to Parramatta and Liverpool, with possible extensions to Bathurst and Goulburn. In February 1849 Earl Grey sent out a despatch to the Governor, urging on him the desirableness of retaining in the hands of the Government the power to construct railways in the colony. This despatch was debated by the Council, which adopted a resolution expressing its deliberate conviction that the introduction of railways could best be effected by the energy and enterprise of private individuals, and agreeably with the spirit of this resolution an Act was passed (10th October 1849) incorporating the Sydney Railroad and Tramway Company, the Government being empowered to guarantee 4 per cent on the stock of the company. The company lost not much time in getting to work, and the first sod of the first railway in Australia was turned on 3rd July 1850. The company did not prosper. It commenced its operations with the ridiculously small capital of £100,000. Wages rose enormously, and before two years had slipped by the company was appealing to the Government for aid: in December 1852 an Act was passed empowering the Government to give pecuniary assistance and authorizing it to appoint three directors to the Board of the Railway. Meanwhile another company had been promoted in 1853,

with the object of constructing a line of railway from Newcastle at the mouth of the Hunter River to Maitland, a distance of 20 miles; from Maitland an extension was contemplated to Segenhoe, 100 miles farther on at the foot of the Liverpool Range. The prospectus issued by the promoters of the company is a document typical of the times, redolent of praise of the country to be served by the proposed railway, and of its inexhaustible and somewhat imaginary resources, but lacking information of the probable traffic and the earning power of the line. The promoters of the line professed to rely with some confidence on the support of the Secretary of State for the Colonies, to enable them to prosecute their enterprise; while they counted upon surmounting the difficulty of high wages experienced by the Sydney Company by importing labour from China or "other parts." The total cost of construction and equipment of the proposed line is a subject avoided by the prospectus; the sum of £6000 per mile is certainly mentioned as the probable cost, if the railway were built on the American system, but it is indicated that £1500 per mile for construction would be ample, a ridiculous estimate, as the cost of permanent way material for a single line and sidings would have reached that sum. The more important features of the prospectus are reproduced below.

PROSPECTUS OF THE GREAT NEW SOUTH WALES
RAILWAY COMPANY

That Australia demands railway accommodation is beyond all question. That the rich and fertile district of the River Hunter, from its great and increasing traffic, wealth, and commercial importance, stands most in need of this facility is equally undeniable.

This Company is therefore intended to supply such requirements.

It was projected in the year 1845, under favourable auspices, but owing to the temporary check that soon afterwards occurred in commercial matters the promoters were advised to wait the revival of public confidence.

The more recent development of the resources of Australia, its gold discoveries and valuable coal and other mines, and the increased and rapidly increasing population and commercial importance of this district in particular (popularly termed the garden spot of the Colony), abundantly testify that the time has now arrived for proceeding with this undertaking, and the Directors have accordingly determined to do so, it being obvious that the existing means of traffic are altogether inadequate to the present wants of this part of the Colony.

The line of Railway is intended, therefore, to supply a "Great Highway" along the district of the River Hunter, for the transit of the inexhaustible resources of its gold and coal fields, as well as its immense agricultural produce of corn, cattle, wool, etc., and also of timber, iron, and other articles of commerce for which this line will extend the market.

A superficial glance at the map will be sufficient to show the commercial advantages of the undertaking. The line will be about 100 miles (more or less) in length and will effect a saving in distance of upwards of 100 miles along the circuitous route of the River Hunter.

The Hunter River, as is well known, forms the principal agricultural district of New South Wales, and, according to the census of 1841, contains upwards of one-fifth of the population of the whole Colony, Port Phillip district included.

No engineering difficulties exist, and from the level character of the country, and the abundant supply of timber and other materials along the line, it is believed that the expense per mile, on the American system, will not exceed £6000, a trifling sum in comparison with the enormous expense of an English Railway.

According to opinions recently expressed by influential gentlemen acquainted with the locality, at a meeting of the Australian Agricultural Company, holden at the London Tavern, upon the necessity for railway accommodation in this district (for which see reports in the *Times* and *Daily News* of the 12th February 1853), the cost of a railway would not exceed £1500 per mile.

The universally acknowledged importance of this railway to the local want and full development of the abundant resources of the district, *as well as its more effective government*, lead the Directors to believe that they will be enabled to obtain from Her Majesty's Secretary for the Colonies

in a matter of such great commercial interest an assurance of the support of Government.

The Directors also feel confident that the undertaking will prove highly successful and remunerative to the Shareholders.

The management will be vested in a Board of Directors in London (aided by local boards or agents if necessary), and it having been thought desirable to appoint, for the most part, practical men, connected or acquainted with the Colony, the Directors propose, after allocation, to appoint from amongst the shareholders or otherwise so many other parties as they may deem advisable, to act as Directors, conjointly with themselves, taking into consideration the recommendations of Shareholders.

The capital at first is intended to be raised in 30,000 Shares of £20 each.

All working, mineral, and ornamental properties and special interests, as far as practicable, will be respected.

Application for obtaining a Charter of Incorporation, or Act of Parliament limiting the responsibility of each Shareholder, is intended to be made ; and also for obtaining an Act of the Colonial Legislature authorizing the execution of the necessary works and for allowing interest on all deposits and calls paid up. Should they ultimately fail in procuring a Charter or Act, with limited liability, it is intended that a meeting of Shareholders shall be called, and that such of them as shall then, by letter addressed to the Secretary, express their desire to withdraw from the undertaking, shall be at liberty to do so, and to receive back their deposits, less their proportion of the expenses incurred.

It is intended, in case of need, to apply for Articled Labourers from China or other parts, at reasonable wages, and under the customary legalized regulations.

The construction of both the Sydney and the Hunter River lines languished, held back by want of capital and by the high price of wages and materials, following on the gold discoveries. In June 1854 a Committee of the Legislative Council was appointed to consider the question of the general introduction of railways into the colony. This committee made a report in the following November, in which it was declared that "the Government had already gone to the utmost extent justifiable in carrying out the

guarantee principle, and as it seemed that private companies could not succeed in constructing railways without Government aid on a scale which ought not to be conceded," the committee recommended that these important works should be taken up by the Government. The committee had various suggestions for the taking over from the companies of the lines already constructed, and these suggestions were embodied in a Bill, which became law on 2nd December 1854. This consummation was inevitable, and the principle of the State construction of works of large public utility was thus forced upon the colony, in spite of the fact that there was every disposition, in the years following the gold discoveries, to allow private enterprise a free hand, as the paternalism of the preceding years was then much out of favour.

The need for railways was urgent. The carriage of goods by ordinary road was slow and expensive; in 1857, when considerable attention was being bestowed on road maintenance, the cost of sending by team goods from Sydney to Goulburn, a distance of 134 miles, was £12 : 5s. a ton, and the time of transit was seventeen or eighteen days; the journey to Bathurst, a distance of 145 miles, involving the crossing of the Blue Mountains, took 23½ days, and the cost of carriage was £15 : 10s. a ton. The lower of these rates represents about 1s. 10d. per ton per mile, so that it is not to be wondered at that the cry for railways was strong and persistent. But even when the Government entered on the business of railway construction no great progress was made in New South Wales. Sixteen miles of line were opened for traffic in 1855, and in 1861 the total length was only 70 miles. There was little capital in the colony available for public enterprises, and that little could only be obtained at a high rate of interest; even the Government could not obtain money at a yearly rate of less than 5 per cent. A high rate of interest was of importance only if the earnings of the railways were low, and in New South Wales the railways did not earn, during the first twenty years after they were first opened for

traffic, more than 2 per cent on the cost of their equipment. It was obvious from the beginning that whatever might be the ultimate result of railway construction in Australia, the first investors would need to wait patiently for many years before they could calculate with certainty how the enterprise would succeed. The Governments of Australia, in undertaking the carrying out of a comprehensive system of railway extension, knew that the development of their territory was a consideration that stood before all others, and it was in this spirit that the railways were undertaken.

VICTORIA

The means of communication between Melbourne and the interior of Victoria were very poorly developed at the time of the gold discoveries ; indeed, it is probable that there was not in the colony a single mile of properly made road, and various projects for the construction of railways were therefore confidently put forward. The first of these was the construction of a line to connect Hobson's Bay with Melbourne, for the purpose of carrying the immense goods traffic which had sprung up. A second project was to construct a railway from Geelong to Melbourne, and a third for making a line to Mount Alexander and the River Murray, with a branch to Williamstown. Separate companies were formed to deal with each proposal. The first Victorian Railway Bill was passed in January 1853 ; it incorporated the Melbourne and Hobson's Bay Railway Company, with a capital of £100,000, and contained a provision that the line should be completed within two years. The Government did not promise any monetary assistance, but made the company a free grant of the Crown lands over which the line would pass. In February 1853, Acts incorporating the Melbourne and Geelong Railway Company and the Melbourne, Mount Alexander, and River Murray Railway Company were also passed. Of the three proposed railways, the last

mentioned was by far the most noteworthy scheme, for it aimed at connecting the most important goldfield with Melbourne and ultimately with Sydney, the preamble to the Bill stating that the proposed line was "the most direct line to Sydney, between which places" (Melbourne and Sydney) "a very large and increasing traffic now exists." The authorized capital of the company was £1,000,000, and the line was considered of such public importance that the State guaranteed the interest (5 per cent) upon the share capital, but it was provided that if the line were not finished within seven years all the estate and title of the company should become vested in the public. The Crown lands over which the railway would pass were given to the company, the width of land granted being 100 yards, with recesses for stations as required.

The Melbourne and Geelong Railway Company was promoted by the inhabitants of Geelong. It was not considered to be of such importance as the other line, mainly, no doubt, because steamboats already provided a fairly efficient means of communication. The company began its operations with a capital of £375,000. At first there was no State guarantee of interest, but in order to facilitate the sale of the stock in England, the Governor in Council agreed to guarantee 5 per cent upon £200,000, and Sir C. Hotham in 1854 extended this guarantee to the remaining shares. The land belonging to the Crown required for railway purposes was granted to the company, as was done in the cases of the other companies. In the two companies, in which the interest on the share capital was guaranteed, the Government was conceded the right to nominate two out of the six directors, on the understanding that these directors were merely to watch the interests of the Government; they were not allowed to accept fees, nor were they to control the policy of the companies in any way.

Experience very soon showed that the railway companies had greatly underestimated the capital outlay required. The Melbourne and Hobson's Bay Railway,

which began with a capital of £100,000, spent £382,737 before the line, two and a half miles in length, was opened for traffic in September 1854. Included in this sum was the cost of a pier and other structures at Hobson's Bay; the actual cost of making the railroad was about £336,000, or £134,500 per mile. As it was, however, the first railway in the colony, it had special difficulties to overcome, and it was made at a time when labour was extraordinarily scarce and dear. The same company opened a branch line to St. Kilda in May 1857, and the cost of construction was £33,804 per mile. Three other railway lines, the St. Kilda and Brighton Railway (opened in 1859), the Melbourne and Suburban line, whose various sections were opened between February 1859 and April 1861, and the Melbourne and Essendon line, opened in November 1860, were constructed and worked by private companies. The total length of these lines with the two branches of the Melbourne and Hobson's Bay Railway was but $20\frac{3}{4}$ miles. Of these various companies, only the Melbourne and Hobson's Bay Company succeeded at once in paying a dividend to its shareholders.

With regard to the longer lines, it soon became evident that they were beyond the capacity of private enterprise to carry through successfully. Work on the Mount Alexander and the Murray River Railway progressed very slowly; the sum of £68,000 only had been expended at the end of 1855, and there was little to show for that expenditure. There was a great deal of dissatisfaction amongst the people to be served by the line, and in Melbourne also, and the Government was practically forced to step in and take over the undertaking. An Act was therefore passed authorizing the Government to acquire all the property of the company, giving the shareholders, in lieu of the sum paid up by them, an equal amount of Government debentures bearing 5 per cent interest. Having taken up the position of railway constructor, the Government proceeded to draw up a comprehensive scheme for connecting the principal goldfields with Melbourne and

carrying the lines to the boundaries of the adjacent colonies. A supervising engineer was appointed, and in order to prosecute the work vigorously it was decided to borrow £8,000,000. In a message to his Council on 20th February 1855, Governor Hotham suggested that the land on each side of all proposed railways should be reserved, and afterwards sold for the purpose of repaying the money borrowed for railway construction. However advisable such a course might be on general principles, it was obvious to the Governor's advisers that the more pressing need was to arrange for the due payment of the interest, and the proposed reservations were not made. The Governor also proposed to keep the finances of the railways separate from those of the general administration, but on reflection this was found to be impracticable, and it was agreed that the interest on the capital cost and any deficit in working the lines should be chargeable against the general revenues of the colony. After fruitless negotiations with a firm of London bankers to place a large loan in London, the Victorian Government decided to issue debentures at 6 per cent, through the medium of the six "associated banks" of the colony, stock to the amount of £1,000,000 being issued in Victoria, and £7,000,000 placed on the English market. The loans were placed as money was required, and at the close of 1861 the sum raised was £5,676,960; the average price obtained represented a premium of 10 per cent, which, considering the disturbed period at which it was issued, must be regarded as satisfactory.

The Melbourne and Geelong Railway Company carried out its scheme, and completed the line from Geelong to the Saltwater River, where it was to join the Melbourne and Mount Alexander line. The subscribed capital of £375,000 proved to be quite insufficient, and the company found itself obliged to borrow £262,000 on debentures. The line was opened in 1857, but it did not earn sufficient to pay interest on the debentures, to say nothing of the capital of the company. The Victorian Government was therefore, under its agreement, required to pay the sum of £18,750

a year to the company, being 5 per cent on a capital outlay of £375,000. When this sum was handed to the Melbourne management, it was used by them in payment of the interest on the debentures. This proceeding was resented by the English shareholders, who accused the Government of bad faith, representing that it was bound not merely to provide a certain sum yearly, but to see that such sum was applied in a certain manner. The dispute was carried on with a great deal of acrimony, and as the colony was at that time endeavouring to float a large loan for railway construction, it was important that the matter should be settled. It was therefore considered expedient that the colony should purchase the railway from the company; this was done, and the shareholders received the amount subscribed by them in cash, the colony assuming the debts and liabilities of the undertaking.

The Government of Victoria was thus forced into the position of railway ownership somewhat against its will, and in advance of that portion of public opinion which at the time was most powerful in the councils of the country. With the direct assumption of control by the Government, the construction of railways was pushed on at a speed which appeared rapid compared with the efforts of the private companies, and at the close of 1861 about 110 miles of track were open for traffic.

South Australia was governed at the time of the gold discoveries by Sir Henry Edward Fox Young, who entered on the duties of his office in August 1848. He took a very keen interest in all questions of engineering and in matters affecting transport, and did his utmost not only to provide South Australia with proper means of communication, but to arrange for their development in harmony with the neighbouring colonies. Under his advice the right to construct railways was retained by the Government in its own hands. Various lines were planned by the Governor, but he did not remain in office long enough to see any of them constructed except the short line of $6\frac{1}{4}$ miles from Goolwa to Port Elliot, on which

locomotives were not used. Under his successor the line connecting the city of Adelaide with its port was opened (21st April 1856) as well as the stretch of the northern line as far as Kapunda (August 1860). Sir Henry Young made a notable proposal for connecting Sydney, Melbourne, and Adelaide by rail. Some correspondence took place between the respective Governments concerned, and this correspondence was referred to the select committee appointed in Sydney to report on railway construction. This committee expressed its high sense of the enlightened views entertained by the Lieutenant-Governor of South Australia, but the project was too ambitious for the times, and was altogether beyond the pecuniary resources of the colonies concerned to carry out. The three railway systems, therefore, were begun independently of one another.

Major Robe, when he received Gladstone's despatch in reference to railways, introduced, among the "rules and orders to be observed in the introduction of railway Bills into the Legislative Council of South Australia," a rule "that the gauge of 4 feet 8½ inches be the gauge to be used in all public railways hereafter to be constructed in this Province," and in June 1848 Earl Grey wrote to his successor, Sir Henry Young, that he had consulted the Commissioners of Railways "not only with reference to South Australia, but also with a view to the general extension and probable junction eventually of those lines in the different colonies," and they had recommended a gauge of 4 feet 8½ inches. Earl Grey wrote also to Fitzroy, the Governor of New South Wales (which then included Port Phillip), urging the desirableness of a uniform gauge, and suggesting 4 feet 8½ inches, partly because it had been adopted in South Australia, and partly because it was thought better adapted to a somewhat undeveloped country than a wider gauge, with heavier rolling-stock. It also offered facilities for the purchase of engines and carriages, as it was the gauge most common in Great Britain.

At the time Earl Grey wrote a railway was actually in

process of construction in Sydney, and the engineer expressed a strong preference for a gauge 5 feet 3 inches. As the Sydney to Parramatta line was the first to be undertaken in Australia, it was not apprehended that any difficulty would ensue if the wider gauge were adopted by all the colonies, and an Act (16 Viet. No. 5) was passed in New South Wales, fixing the gauge at 5 feet 3 inches; this was followed up by a request to the Colonial Office that the other colonies should be asked to adopt this gauge also. This it readily agreed to do, and the gauge was adopted on the Victorian Railways and on the Adelaide City and Port Railway. Scarcely had the Act been passed in New South Wales, however, than the Sydney Railway Company (which had changed its engineer) asked for its repeal on the grounds upon which the Commissioners for Railways had suggested the 4 feet 8½ inches gauge, and accordingly by 17 Viet. No. 11 the preceding Act was repealed, and the narrow gauge substituted.

This further change roused the indignation of Victoria and South Australia, which had by that time (1853) ordered in England rolling-stock worth £100,000 for the wider gauge. The Victorian Legislature adopted a memorial praying that Her Majesty's assent might be refused to the Act of New South Wales, 17 Viet. No. 11. Sir George Grey, who had succeeded to the post of Colonial Secretary, sympathized with this view, and in November 1854 instructed Fitzroy "to move the Legislature to reconsider the question both on the ground of the superiority of the 5 feet 3 inches gauge, and for the sake of the neighbouring colonies." The New South Wales Legislative Council made no difficulty about the matter, and in August 1855 repealed all previous legislation on the question, but fixed no standard gauge, the preamble to the short Act stating that "it is intended that all railways within the Colony shall be constructed only by the Government, and whereas it is considered inexpedient to continue the restrictions created," the Government should be free to adopt what gauge it pleased. Nevertheless, in the face of this tacit

agreement, the line from Sydney to Parramatta was laid to the 4 feet 8½ inches gauge, and as the work of construction was proceeding in Victoria and South Australia with the wider gauge, the inconvenience of two gauges was thus wantonly inflicted on the country. There can be no doubt that the fault was originally that of the New South Wales Government, but the evil might still have been avoided if there had been goodwill displayed on both sides. The coming of responsible Government, however, bred much inter-colonial jealousy, and neither side was willing to make a sacrifice for the general good.

Gladstone, in his despatch of 1846 on railways, vaguely raised the question of the policy of State ownership, as he used the expression that he "did not wish to prejudice the policy of the purchase of any railway by the State." From the short account of the origin of the New South Wales railways it will be seen that there was a strong feeling in favour of the policy of leaving the railways to private enterprise. This feeling also existed in Victoria, where there were special circumstances, before responsible government was granted, which made it inexpedient that the State should add to its already overwhelming burdens that of railway construction. That there was a certain amount of public opinion in favour of the State ownership of railways may be assumed from the fact that in the Bills incorporating the Geelong and Melbourne and the Mount Alexander Railway Companies, there was a provision that at any time after the expiration of ten years, and before twenty years had elapsed, the State might, if it thought fit, purchase the railways. The conditions laid down were the payment of sixteen times the average net earnings of the last three years, or £250 for each £100 capital paid up. It was not under this provision that the railways were acquired, but its insertion in the Act is evidence that State ownership was not considered an improbable contingency.

Both in New South Wales and Victoria public opinion ran strongly in favour of confining the activities of the Governor and his Council to the sphere of government.

properly so called. There was, after the final abolition of transportation, a strong revulsion against all forms of governmental control, and this feeling continued for many years, although it did not blind the people to their material interests. The difficulties of the private companies in obtaining money led to expensive construction, money was difficult to obtain, and the rate of interest was high. The governing authorities themselves were converted to the principle of non-interference with private enterprise, and the reluctance of the New South Wales Government to enter upon the business of railway construction may be judged from the fact that the Sydney Railway Company, an ill-managed and under-capitalized association, was permitted to hold the field for eight years, during which period it received monetary assistance from the Government to an extent greater than its paid-up capital, and interest on the capital was guaranteed. The failure of the company was inevitable. The ideas of its promoters were too narrow for the enterprise they had entered upon, and if it had been otherwise there would have been insufficient private capital available in the colony. The business of railway construction lapsed into the hands of the Government when the company died of inanition, and was accepted without enthusiasm, and without any adequate sense of the responsibilities involved.

The conditions in Victoria were somewhat different. The inrush of gold-seekers had brought in many enterprising persons who did well on the goldfields, and were enthusiastic on the subject of the probable progress of the colony. Their enthusiasm was translated into action, and five companies entered the field of railway construction during the short period, between the first authorization of private railway construction and the determination of the Government in 1855 to keep in its own hands the further extensions of railways in Victorian territory. It cannot be said that private enterprise failed in Victoria. One line, the Melbourne and Hobson's Bay Railway, paid large dividends from the day of opening. Others were well conceived, and

some would doubtless have ultimately paid their shareholders, but these were railways within short range of Melbourne. It was obvious that the more extended enterprises, the linking up of the goldfields with the capital and the ultimate connection of Adelaide and Sydney with Melbourne, were beyond the capacity of private resources to achieve, and must be undertaken by the Government. This the Government was prompt to recognize, and entered upon the business with great vigour, as we have already seen.

The Government in its railway policy was untrammelled by the consideration of having to pay dividends to shareholders, hence the rates on Government lines were fixed more in accordance with the opinion of the public at large as to what would be fair charges than with a view to meet the cost of the service rendered. In 1861, which is the earliest date for which a fair comparison can be made, the charge on the Government lines from Melbourne to Geelong for first-class accommodation was at the rate of 1·87d. per mile, and for second-class 1·07d., while on the Williamsstown line the rates were 1·3d. per mile first-class and about 1d. second-class. In the case of the private railways, of which there were then five lines in operation controlled by three companies, the average charge was 3·2d. per mile first-class and 2·4d. second-class. The fares on the private lines were practically double those on the Government lines. No comparisons can be made for the carriage of goods, as very little was carried on the private lines, except on the short railway from Melbourne to Hobson's Bay. On the Government lines from Melbourne to Bendigo and Ballarat the freight rates worked out in 1862 at about 6d. per ton per mile for miscellaneous goods. This was an enormous reduction on the rates charged during the gold period before railways existed, and was also much below the ordinary rates paid in 1861 for goods carried by horse teams. The bearing of these facts was not lost on the public mind, and so far as concerned the railways there was no disposition to allow private capital again to enter the field.

X

CURRENCY, BANKING, AND EXCHANGE

NEW SOUTH WALES

WHEN gold, the fruit of the first discoveries, was brought to Sydney, its intrinsic value was uncertain, as there were neither skilled assayers in the colony nor the necessary appurtenances of an assay office. In June 1851 gold dust was sold at an average price of £3:8:6 an ounce, and, a few months later, the Government made an arrangement with a contractor that he should buy from it all the gold received by the Treasury at the rate of £3:8:4 per ounce. At this price a considerable quantity was received from miners as payment for licences to dig. No attempt was made to refine the gold, practically the whole of it being sent to England in its crude state. The charge made for carrying the gold to London was $\frac{1}{2}$ per cent, and, owing to the prospect of considerable shipments, the rate of exchange on private bills hypothecated against produce advanced during August 1851 to $2\frac{1}{2}$ per cent discount as against the former rate of 1 per cent. Thereafter, for more than twelve months, the condition of the exchanges on London and other European countries was greatly disturbed and most unsatisfactory to the colony, the most acute phase being reached in February 1852, when the price offered by the banks for private bills drawn on London was 12 per cent discount. The business of advancing money against gold was very tempting as the security was undoubted,

the metal being valued for advances at from 50s. to 55s. an ounce. There was at first a disposition on the part of the banks to give preference to bills against gold bullion and to neglect ordinary commercial bills, but the unwisdom of such proceeding was soon apparent, and at the end of March 1852 the banks resolved to suspend for a time their advances against gold and extend accommodation only to the ordinary trading interests of the country. This determination, however, did not bring with it any amelioration of the rates; these remained at 12 per cent discount for bills against produce and 8 per cent for bank drafts, until July, when they became a little easier. In October 1852 the buying rate dropped to 10 per cent discount and advances against gold were resumed, but at 40s. an ounce. In November the rate was again reduced, and, for the first time, there was a distinction made between advances against gold and private bills drawn against tallow or wool; the former were at 9 per cent discount and the latter 8 per cent, the selling rate for bank drafts being $6\frac{1}{2}$ per cent discount. This action of the banks in differentiating between bills drawn against gold bullion and those against produce, in favour of the latter, was certainly against their own immediate interests. Nevertheless the Committee of the Legislative Council of New South Wales, to which further reference will be made presently, in asking for the establishment of an assay office or branch of the Royal Mint at Sydney, emphasized "the enormous exactions imposed on the producers of the Colony, by the various banking institutions." As illustrating the grasping character of the banks, calculations were made showing that, in February 1852, when a bank purchased a £100 bill on London at sixty days' sight for £88 (12 per cent discount), the actual rate of interest charged was 40 per cent per annum. There was, however, another side to the business. While the banks were purchasing private bills at a discount of 10 per cent they were selling their own drafts on London at a discount of 8 per cent, and, moreover, were importing, without hope of direct profit,

large quantities of coin, to supply the needs of the new business that the goldfields had generated.

In December 1852 a considerable quantity of coin was on its way to Australia, and between two and three millions had already arrived. The banks did not, however, make any precipitate reduction in the exchange on London, which remained at the nominal rate of 8 per cent discount for bills against produce, but for advances against gold 10 per cent was demanded. The rate for bank bills was nominally $6\frac{1}{2}$ per cent discount, but those who had money to send to London preferred to remit by gold rather than by bank drafts. Towards the end of January 1853 the rate for bills on London was quoted at $5\frac{1}{2}$ per cent, whether against produce or against gold, and during February the rates altered weekly, until on the 26th of that month the exchange on London was $\frac{1}{2}$ per cent discount for bills against produce and 1 per cent premium for bank bills. In April 1853 the rate for private bills drawn against produce was at par and bank drafts were at 1 per cent premium. During the period from the middle of 1852 to the end of March 1853, gold in very large quantities had been introduced, the sworn statements of the banks showing that their holdings of specie had increased from £769,112 for the quarter ended June 1852 to £1,895,701 for the quarter ended March 1853, their note circulation expanding from £600,388 to £984,754. At this time the business of importing coin was undertaken almost entirely by the banks, neither the English nor the Colonial Governments giving them much assistance.

The course of exchange between Sydney and London during the very interesting period from August 1851 to April 1853 is shown in the subjoined statement: the buying rate referred to was for merchants' bills drawn against wool, tallow, or other produce, and the dates given are those on which the quoted rates became effective:

Date.	Buying Rate.		Selling Rate.	
1851.				
1st Aug.	1	per cent discount	$\frac{1}{2}$	per cent premium.
30th Aug.	$2\frac{1}{2}$	„ „	1	„ discount
30th Sept.	7	„ „	5	„ „
7th Nov.	8	„ „	6	„ „
31st Dec.	10	„ „	8	„ „
1852.				
12th Feb.	12	„ „	8	„ „
30th June	12	„ „	8	„ „
31st July	11	„ „	8	„ „
23rd Oct.	10	„ „	8	„ „
20th Nov.	9	„ „	$7\frac{1}{2}$	„ „
27th Nov.	8	„ „	$6\frac{1}{2}$	„ „
1853.				
29th Jan.	$5\frac{1}{2}$	„ „	4	„ „
19th Feb.	$2\frac{1}{2}$	„ „	1	„ „
26th Feb.	$\frac{1}{2}$	„ „	par	
5th March	$\frac{1}{2}$	„ „	1	„ premium
16th April	par		1	„ „

When gold first began to arrive at Sydney the authorities at the local Treasury thought they could fix the price of the metal by notifying an arbitrary rate at which it would be accepted in payment of Government dues; but a few weeks' experience was sufficient to show that the only way the Treasury could fix the price, was by buying all the gold that was offered at a rate determined by the fineness of the metal, the cost of sending the gold to London, the cost of obtaining sovereigns in exchange, and by certain other factors. As the Treasury was not equipped for any such operations it ceased to accept gold, except in cases of absolute necessity, and the banks took up the matter as part of the ordinary functions of their business. Early in November 1851 the price of gold dust in Sydney fell to 64s. per ounce. On 18th November James Martin moved in the Legislative Council for the appointment of a committee to consider the expediency of establishing an assay office and a branch of the Royal Mint in Sydney, on the ground that the "existing uncertainty as to the value of the gold won in the Colony encouraged unfair dealing on the part of gold-shippers, and that the necessity of

exporting all gold for coinage caused the producers of all other articles to suffer by affecting discounts."

The price of gold in Sydney was steadier and higher than upon the goldfields, where the miners were unable to stand out for a fair price and the wildest rumours were afloat as to an impending drop in the nominal price of gold in England. At the end of 1851 the price of gold in Sydney was still 64s. per ounce, but in January 1852, owing to the large quantities being sent down, the price fell to 63s.; at this figure it remained until March 1852, when the banks came to the agreement not to make any further advances against gold dust shipped to England, and the price at once fell to 61s. per ounce. Owing to their stronger monetary position the banks were able, in October 1852, to resume their advances against gold shipments, the price of New South Wales gold was then quoted at 68s. per ounce on 20th November, and gradually rose to 73s. 9d. at the end of January 1853, and to 76s. on 26th February following; this last price was the full value of gold dust, allowing for expenses of freight and insurance to London.

Prior to the gold discoveries the amount of coin in New South Wales was £540,766, of which the banks held £521,039; the stock of coin was slightly increased during 1851, and in the early months of 1852, but the sum imported proved entirely inadequate to meet the enormously increased business which the gold discoveries had generated. By the middle of February 1852 the value of the gold exported from Sydney had reached a total of £760,000, and it was recognized that the exports during the rest of the year would be on a great scale. It will not be difficult to understand how in these circumstances the banks were compelled, in their own defence, to make the discount on the purchase of merchants' bills on London as much as 12 per cent. In September 1852 it is estimated that the amount of coin in the colony was £692,915, and the banks held bullion in addition to the value of £715,635. This latter was useless for commercial purposes, and to make it

available the banks themselves proposed that bullion in their coffers should rank with coin as the basis of their note circulation, which at the end of 1852 amounted to £743,759. A Bill on the subject was introduced mainly at the instance of the Bank of New South Wales, but before it could become law there was an entire change in the situation. During the closing months of 1852 a considerable part of the gold sent to England was returned to Australia as coin, and vast quantities of goods were also sent. This importation produced a marked effect upon the exchanges, which stood at par at the middle of April 1853. During the remainder of that year the amount of specie in the colony was about two and a half millions sterling, and the banks therefore felt no longer under constraint to hold bullion; the coin in reserve and in circulation together with the note issue, which latter averaged £827,923 during 1853 as compared with about a quarter of a million prior to the gold discoveries, being sufficient to meet the demands of business.

As early as January 1852 Governor Fitzroy had sent a petition from the Legislative Council of New South Wales to the Secretary of State, asking for the establishment of a Mint at Sydney. Earl Grey, who was then at the Colonial Office, regarded the step as of doubtful expediency and referred the matter to the consideration of the Executive Council, who, in July 1852, reported strongly in favour of the proposal. The Council represented that the evils of a deficient circulation were felt very acutely—this it may be remarked was before any large quantity of coin had reached the colony—and the owners of gold were compelled either to part with it at a depreciated price, or to face the risk, expense, and loss of interest incident to its exportation to Europe in a raw state and the importation of so much specie in return. By the establishment of a Mint, it was argued, these losses would be avoided, and as the gold would be made immediately available for the transactions of the colony, merchants would escape the losses they suffered from the high rates of discount.

The Duke of Newcastle, who succeeded Grey as Colonial Secretary, regarded the difficulties caused by the gold discoveries as temporary, and as likely to be remedied, before a Mint could be established, by the influx of coin ; but, seeing the colony was bent on having a Mint, he decided to recommend that one should be established in Sydney, and given the right to mint sovereigns and half-sovereigns, provided that the colony would agree to bear all the expenses of coinage and guarantee the proper fineness of the coins issued. As events showed, the Colonial Secretary was right in supposing that the chief inconveniences were temporary, as the import of coin during 1853 gave the colony all the circulation it needed, but the Legislative Council was none the less anxious to obtain a Mint. A select committee reported in June 1853 that "so long as our virgin gold is treated as a mere commodity, the ultimate market for which is London, there can be no security that the former injurious state of things may not at any time return." It suggested that the Mint should be permitted to charge a seigniorage on the gold coined, in order to pay expenses, and expressed regret that it was intended to limit the currency of the coinage to the Australasian colonies. At the same time the committee raised a constitutional point of a rather curious nature. The Governor had been instructed to proclaim gold coin as the only legal tender in all payments above 40s., in accordance with the English Act 56 Geo. III. Cap. 68. The committee, jealous of any exercise of power by the Governor, except with the advice of the Council, reported that this Act had been in force in the colony ever since the New South Wales Act (9 Geo. IV. Cap. 83) came into operation, and that the proclamation was therefore unnecessary ; "had the question of legal tender been, however, unsettled, as supposed, your Committee does not think that Her Majesty has any power by proclamation to dispose of it. Whatever power the Crown may have had in former times, to fix what should or should not be a legal tender, was taken away by the afore-mentioned Act . . . , and any alteration of the

law of tender can now be made by legislative enactment only." The committee thought that it might be desirable for the legislature to pass an Act declaring the law of tender as established to be in force in the colony, but the Governor was not prepared to admit the correctness of the committee's contention, and the matter was referred to England.

In August 1853 an Order in Council was issued in England, establishing a branch of the Royal Mint at Sydney, and on 18th October 1854 another was issued directing that sovereigns and half-sovereigns should be coined there. The necessary Royal proclamation giving effect to these orders was published in Sydney on 20th April 1855, and the Mint was opened on the same day, the coins to be issued being made legal tender by an Act of the New South Wales Legislative Council. It was also directed that the Mint should accept all gold brought to it in quantities of not less than 12 oz. and a charge of 1 per cent was made for minting parcels not exceeding 1000 oz., for larger parcels the charge was fixed at $\frac{3}{4}$ per cent. During 1855 only 5406 oz. were coined in Sydney, but in the following year 239,491 oz. were minted. The gold produced in New South Wales was insufficient to pay the expenses of the Mint, and its success as a commercial undertaking depended on the attitude adopted by the other Australasian colonies, particularly by Victoria, as unless the coins issued were accepted as currency throughout Australasia the proper working of the Mint would be impossible. The Royal Order in Council directed that the new coins should be so current, and it was expected that a proclamation to that effect would be made in all the states, but this was not done immediately, and New South Wales was placed in a difficult position. Denison urged that the matter should be put right by declaring the coins of the Sydney Mint currency throughout the Empire, as they were equal in weight and fineness to the English coins. This course was not adopted for some years, however, partly owing to fear lest counterfeit coins should be passed into

circulation more readily in consequence, and partly to anxiety lest the Sydney coinage should displace the English sovereign in other parts of the world. At first the Sydney coinage was found to be variable to a slight extent, but the gold constituents were at all times equal to those of the London sovereign, and very soon uniformity in appearance was also secured.

The immediate effect of the establishment of the Mint was to fix the price of gold at all the large business centres. At the outlying goldfields the price still varied according to the cost of the escort to Sydney, and, it must be confessed, according also to the necessities of the persons in possession of the gold. Thus in 1857 the price at the Rocky River diggings, from which there was no escort, was £3 : 8s. per ounce, while at other fields it was £3 : 14s. At Sydney and Melbourne the price was but a trifle below the value of the gold constituents of the dust, which, for New South Wales gold, was from £3 : 14s. to £3 : 18 : 6 per ounce ; Victorian gold was more valuable, as it contained less impurity.

The action of Governor Hotham, described hereunder, prevented the recognition of the Sydney sovereign as the equal of the English coin in Victoria, but as the two were intrinsically of the same value it was not long before the Sydney coin was in use not only throughout Australasia, but in the Mauritius, Hong Kong, and Ceylon, and in 1857 it was made legal tender in all the colonies.

Although a vast quantity of gold was won in Australia and exported, the imports greatly exceeded the exports after 1852 ; this circumstance naturally influenced the course of exchange, so that in 1853 the rate on London varied from par to 1½ per cent premium on good bills. During 1852 the banks had made enormous gains. Their purchases of gold were very considerable, and the prices paid as a rule very low ; their ordinary banking business was profitable, as also was their privileged note circulation. On the goldfields bank-notes were the recognized currency. The average value of the notes in circulation in 1854 was

£949,341, and, apart from the advantage to the banks of the possession of the additional capital represented by this sum, it was found that an appreciable proportion of the notes issued never came back, but were destroyed by accident or rough usage. These gains tempted others to enter the banking field, and in 1853 three new companies began business as bankers in New South Wales, with capital, however, which was subscribed, for the most part, in the United Kingdom. These were the Australian Joint Stock Bank, which commenced operation in January 1853; the London Chartered Bank, which was opened in July; and the English, Scottish and Australian Chartered Bank in October. The effect of this additional competition was soon seen. Accommodation in the way of advances was much more readily obtained, and the discount rates on local bills were considerably reduced. The old established banks had been accustomed to charge $2\frac{1}{2}$ per cent for three months' bills, and up to 8 per cent for bills having more than four months to run; for like bills the newly established banks charged 2 per cent and 5 per cent. In 1854 another bank, the Oriental Chartered Bank, also an English corporation, entered the field, and offered interest to depositors, a custom that had fallen into desuetude since the crisis of 1840-43. The Oriental Bank paid 2 per cent interest on current accounts, and from 3 to 5 per cent upon deposits, according to the length of notice of withdrawal required. The other new banks followed the Oriental Bank in paying interest on deposits, as this was the only means by which they could withdraw custom from the old established institutions. The banks were forbidden to lend money on mortgage, but this restriction did not hamper their operations, as they found it was legal to take a mortgage as collateral security for a bill or cash credit, and after the establishment of the new banks mortgages on land rose rapidly. In 1853 the amount of mortgages registered was £380,949, in 1854, £729,459, and in 1855, £817,022. Mortgages on live-stock increased from £285,559 in 1853 to £1,055,199 in 1854.

After the establishment of the new banks there was keen competition for business. At first speculative ventures were encouraged unduly, and overtrading took place, but, with the lessons of the years 1842 and 1843 still echoing in their ears, the banks steadied themselves, and by the middle of 1855 they had returned to the paths of prudence.

During 1856 and 1857 the financial condition of New South Wales was quite sound, and as the tendency to overtrading and speculation had been checked, the amount of money lent on the mortgage of land and live-stock became greatly reduced. In 1857 all the banks adopted the system of paying interest on deposits, including trading accounts, 2 per cent being allowed on the monthly minimum balance of current accounts, 3 per cent on money deposited for three months, and 5 per cent on money fixed for twelve months. In 1858 the interest allowed ranged as high as 6 per cent for deposits for twelve months, and the discount for good bills of 125 days' currency was 9 per cent, which was a higher rate than had been charged for over ten years. There was again a strong tendency to overtrade, as was natural at so exciting a period, and mortgages on land and stock once more became heavy. In 1858 the amount of mortgages registered was £705,336, and in 1859, £874,642, while on live-stock the registered mortgages amounted to £968,405 in 1858, and to £1,516,710 in 1859. As much of the speculative trade proved unremunerative, there was a tendency on the part of the banks to restrict credits; and as the year 1859 drew to a close there was severe trade depression, which found its natural result in 1860, when there were 511 insolvencies in Sydney with liabilities of £835,825. In spite of its brave beginning the end of the period was very tame, and trade did not recover a good tone for some years thereafter.

VICTORIA

In Victoria the effect of the gold discoveries upon the exchanges was not less marked than in New South Wales. The enormous quantities of gold, which were brought into the market at the close of 1851, caused the banks to fix the rate of exchange on London for bills against shipments at 10 per cent discount. In October 1851 the highest price given for gold in Melbourne was £3 per ounce, and against shipments the banks would only advance £2 per ounce. The banking facilities in Victoria at this time were very limited. Only two banks had branches on the goldfields even in April 1852. This was not due to lack of enterprise or fear of insufficient profit, but to the difficulty in securing reliable and competent assistance. When this was obtainable, branches were established on every important gold-field. Victorian gold was particularly pure, and worth £4 an ounce in Europe, but, owing to the peculiar conditions of the colony, diggers were glad to part with their winnings at £2:10s. per ounce.

On the fields themselves very little gold was paid for in coin, as the whole gold and silver currency in Victoria at the close of 1851 barely exceeded £320,000. The sudden appearance of gold in large quantities as a merchantable commodity, and the unaccustomed form of business that followed, completely upset the calculations of the banks. In February 1852 bills on London drawn against gold, at £2:10s. an ounce, were received by the two English banks at 9 per cent discount, and the banks of New South Wales made advances at the rate of 55s. per ounce, but charged 10 per cent discount. Exporters of gold, however, were not the only sufferers, as the discount charged on private bills drawn on England was never less than 8 per cent, and frequently rose to 12 per cent. The banks in Melbourne had not only to meet the greatly increased demands made upon them, but in the interests of their business had to go to the expense of importing coin in large quantities. The months which had to elapse before the coin could arrive

from England were a period of anxiety and difficulty for them, in spite of the fact that they were making immense and certain profits. The importation of coin went on during the latter half of 1852 very extensively; at the close of the year it was estimated that the British coin in Victoria amounted to just over two millions, and in September 1853 to three and a half millions, which was the maximum for the period. At the same time the paper in circulation also expanded enormously.

In 1852 the bank-notes in private hands had a face value of about £850,000. In 1853 it was little short of twice that sum, while in the following year it exceeded 2½ millions. Coincident with this increased circulation, and largely in consequence of it, the price of bullion rose steadily, so that early in 1854 it reached £4 per ounce. Throughout the period gold constituted by far the greatest export, and the banks found that the control of the gold trade enabled them to obtain a larger premium for bills upon England than they could otherwise have secured.

The very large profits made by the banks already established in Victoria when the gold discoveries were made naturally attracted competition. The Joint Stock Banks, which were established in New South Wales in 1853 and 1854, opened branches in Victoria, and three banks with branches only in Victoria were formed; these were the Bank of Victoria, the Colonial Bank of Australasia, and the National Bank of Australasia. The increase in ordinary banking business was immense. In the last quarter of 1851, according to the official returns, there were 6000 depositors in Victoria, with £823,709 to their credit; a year later the deposits amounted to £4,889,940, and the depositors numbered 20,000; and during the last quarter of 1853, 30,000 depositors had to their credit £6,316,810. The deposits reached their highest point in the second quarter of 1854, when the returns showed £7,396,144. During the rest of that year and the ensuing twelve months there was a marked decline in the business of the banks,

which reflected the condition of trade throughout the country.

During 1853 and 1854 there was a large excess of imports over exports; in 1855, however, the conditions were reversed, and the exports greatly exceeded the imports. The immediate result of this change was a fall in the price of gold. The banks still continued to be the chief purchasers of bullion, and the gold export duty imposed in April 1855, coupled as it was with the remission of the escort duty, in cases where the gold was left with the Treasury until the export duty was paid, tended to throw the bullion trade into the hands of the banks and other large merchants. According to a statement made by Childers at the end of 1858, three-quarters of the gold raised in Victoria passed, at the mines, into the hands of the exporters, who were either bankers or merchants selling their drafts upon London, and of the rest a large proportion was purchased in bond at Melbourne. To the power, thus gained by the banks and large exporters, he attributed the rise in the rate of exchange which took place after the imposition of the duty, and as illustrating his views he mentioned that in March 1855, that is, two months before the duty came into force, bank drafts on London were sold at 1 per cent premium, whereas in June and July following the price was 2 to 3 per cent premium. Childers' illustration proved nothing, as the charge for a draft on London in January 1855 was 3 per cent premium; the change, to lower rates in April and high rates again in June, being due to changes in the general course of trade.

The opening of the Sydney Mint in 1855 naturally influenced the monetary position in Victoria. There was considerable disappointment in Melbourne that the first Australian Mint should have been established in a colony which produced so little gold in comparison with Victoria, and the non-proclamation of the Sydney coins as legal tender in Victoria was due partly to this and partly to the short-sighted policy of the British Government in limiting the currency of the Mint's issues to Australasia. Governor

Hotham declared that he would never be a party to imposing a spurious currency on his colony, and he was strongly supported by his Government when he refused to issue a proclamation declaring the Sydney coinage legal tender. That coinage was therefore treated by the Victorian customs officers as bullion, upon which the export duty had to be paid, if any of it were brought to Victoria and thence re-exported. This was the cause of much friction between the Governments of the two colonies concerned, but in the end the policy of the Victorian Government defeated itself. In Victoria, the coins of the Sydney Mint being merely tokens, the circulation of the English sovereign along with them became impossible. Agreeably with Gresham's law, English sovereigns were exported as far as possible, whenever the export of specie was necessary, and during 1856 over 1,000,000 English sovereigns were thus sent away, and very shortly none were to be found in general circulation. The Sydney coinage thus became the actual, though not the legal, currency of Victoria, and in 1857, owing to the wiser counsels of Sir Henry Barkly, a proclamation was issued, declaring the Sydney sovereigns and half-sovereigns legal tender in Victoria. The people of Victoria did not, however, give up their claim to have a Mint of their own at Melbourne; it was, however, many years before their wishes in this respect were gratified.

The years 1852, 1853, and 1854 represented the height of the Golden Era of Victoria. According to tradition, boastful miners could be found, during this period, who would endeavour to impress their companions at a bush shanty with the exuberance of their riches and their contempt for the commonplace by lighting their pipes with £1 notes. Tales of this kind do not usually lose much in the telling, but, however that may be, it is certain that lavishness was a general characteristic of the time. Copper money ceased to have any place in the circulation, accounts being made out and paid in some multiple of threepence. For three years copper coins existed in Victoria only as

curiosities, but in 1855, when prices began to fall, the humbler coin again came into use. As British copper money was no longer available, tradesmen in Melbourne began to issue copper tokens, very similar in size and appearance to the penny. The system of private copper tokens was open to abuse and inconvenience, and the Government therefore decided to import sufficient copper money and to prohibit the use of the tokens. This was done in 1861.

SOUTH AUSTRALIA

The disastrous condition of South Australia during the first few months following the gold discoveries has been already described. The drain of population paralysed industry, and almost paralysed commerce. It reduced greatly the demand for commodities, and as every man who left South Australia took with him on the average about £10 in coin, it had a serious effect in diminishing the circulating medium in the country, which was also injuriously affected by the great demand for coin in Victoria and New South Wales, where a large and lucrative business was being done in the purchase of gold. Of the three banks operating in South Australia, two, the Bank of Australasia and the Union Bank of Australia, were merely branches of banks, with other branches in Victoria, and to these latter they sent as much and perhaps more of their specie than they could conveniently spare. There was every inducement for private persons who had command of specie to employ it in Victoria also; in consequence money became extremely scarce in South Australia, and there was a well-grounded fear lest the Province should be left quite destitute of coin. This fear operated still further to depress prices and to prevent commercial transactions from being carried on. The banks began to restrict their accommodation, which was the only prudent course they could take, as business and industry were not in a good condition even before the gold

discoveries affected them. The merchants, again, were prevented from sending away their surplus stocks, for which there would have been a ready sale in Victoria, because they would have been obliged to take bullion in exchange, and for bullion South Australia offered them no market. Insolvencies in Adelaide became frequent, 106 occurring in 1851, which was twice the number of the previous year, and credit was almost non-existent.

It was rumoured in Adelaide early in January 1852 that large purchases of gold were being made in Melbourne by South Australian merchants for shipment to England, and it was known that one of the banks at Adelaide had purchased £10,000 worth of gold bullion, chiefly from returned miners. Immediately there was a general apprehension, almost a panic, lest in a short time the colony should be denuded wholly of its gold currency. Under these circumstances the banks agreed not to make advances on gold purchased and shipped to England. They stated subsequently that they would have advanced upon bullion obtained in exchange for goods, and that their object was solely to prevent a drain of specie and an increase in the rates of discount upon ordinary commercial shipments, which was otherwise sure to occur.

The lack of a market for gold in South Australia prevented the return of successful miners to the colony, and threatened to convert a temporary exile into a permanent emigration. Such was the condition of affairs at the beginning of 1852. It was necessary that some expedient should be adopted, which would enable the colony to tide over the period that must elapse before fresh supplies of coin could be received from England, and also to employ usefully some portion of the stream of gold which was enriching Victoria and would flow naturally into South Australia if a channel were made for it. The industrial depression due to the exodus of population was a thing which had to be endured, but the commercial difficulties arising from the state of the currency admitted of relief. Various suggestions were made to

case the monetary situation. The actual issue of gold pieces by the Government was discussed, but the Governor vetoed it as beyond the power of the Government, nor in any case did the machinery and workmen capable of making coins exist in the Province. The idea that the Government might issue notes against gold bullion, at a fixed rate, seemed to offer a solution, but was rejected, because such a course would have interfered greatly with the business of the banks. In the end, after conferences between the banking officials, the chief commercial representatives, and the law officers of the Crown, it was decided that the Government should open an Assay Office in Adelaide, whither gold might be taken for assay. The assayed gold was then to be sent to a bank, indicated by the owner of the bullion, and that bank was compelled to accept the gold and to issue against it notes reckoned on the basis of £3 : 11s. per oz. of fine gold. These notes were to be legal tender by all parties except the banks. They were indistinguishable in form from the ordinary note circulation of the banks, and were payable in coin so long as the banks retained sufficient, or, failing that, in bullion at £3 : 11s. per oz. The legal obligation of the banks, to hold coin against their note issues, was varied so far as to permit gold bullion at the fixed rate to be counted as equivalent to coin. A special session of the Legislature was called at short notice for the purpose of passing this Bill into law. It was put through all its stages in one day, 28th January 1852, and came into force immediately.

Sir Henry Young acquiesced in this measure with reluctance, fearing that he was accepting a very heavy responsibility, which, in less pressing circumstances, it would have been his duty to refuse. The Act did not emanate from him in any way, and he took no very sanguine view of its probable effects. The adoption of £3 : 11s. per oz. as the value of the gold was determined mainly by the calculated cost of assay (which was defrayed by the owners of the bullion) and the costs of sending the bullion to England and of receiving back in exchange coined gold.

The actual value of the gold contents of an ounce of bullion from the Victorian mines was estimated at £4, and it was considered that £3 : 11s. was high enough to attract gold to Adelaide, and low enough to leave a substantial margin of profit to the banks who were compelled to purchase it. There was no attempt at this stage to treat the assayed ingots as a currency. "The design," as Sir H. Young said in sending home the draft of the Act, "was merely to run the parcel of gold into an ingot and to stamp on it its assayed value per ounce ; delivering it in that state to its owner, at any one of the local banks which he may select, and thus to obviate as far as possible the chances of the ingot getting into general circulation and being thereby exposed to the risks of forgery or adulteration." The Assay Office was opened on 13th February 1852. On that day 2910 ounces were taken thither for assay, and the supply continued steadily.

The effects of the Act were at once beneficial. It restored confidence, for there was no longer any fear that the colony would be left without a circulating medium. It promoted an active commerce with Victoria, since it was now very profitable for merchants to ship their surplus stocks to Victoria, where they could dispose of them readily for gold dust, for which they had now a certain market in Adelaide. Consequently, a very important trade sprang up between the two colonies, and during the first six months of 1852 the goods re-exported from South Australia were valued at £265,604 as compared with £20,010 in the similar period of 1851. There was in other ways a great improvement in the financial condition of the Province. The amount of paper under discount at the banks, which before the introduction of the ingots had been rather high, fell in May 1852 to less than half what it had been in January of the same year, without causing any inconvenience. The Act offered a direct inducement to South Australian diggers in Victoria to send home their gold for investment, as the price was better there than on the gold-fields, and a direct Government escort was established,

in February 1852, to convey gold from Mount Alexander to Adelaide.

The Government had some small difficulties in administering the Act. The manager of the Adelaide branch of the Bank of Australasia was absent from the Province when the Act was passed, and on his return, in March 1852, he demanded its withdrawal on the ground that it compelled the Bank to violate its charter and issue notes without holding coin against them. The Governor declined to accede to the demand, but the Bank of Australasia stood its ground and refused to issue notes against assayed gold. The other English bank, the Union, used the provisions of the Act, but to no great extent; the greater part of the business of dealing in assayed gold was in the hands of the Bank of South Australia, which was a local institution.

The extent to which advantage was taken of the permission to issue notes against assayed gold may be gathered from the following statement of business on 12th July 1852 :

	Notes in circulation. £	Sterling coin held. £	Gold bullion held. £ (at £3:11s. per oz.)
Bank of South Australia	143,968	26,874	251,797
Union Bank of Australia	59,677	17,187	79,576
Bank of Australasia	5,881	15,092	49,201

The Governor, in speaking of the action of the banks, said : “At no former time has the advantage of banks, with exclusively local interests, or banks not exclusively swayed by foreign ties to disregard local interests, been more conspicuously evident.”

The Act had been passed for one year, and it was feared by the bankers that persons were hoarding notes, with the intention of not presenting them for payment until the Act had expired and the banks were once more bound to meet their notes in coin. In July, therefore, a memorial was presented to the Governor stating that “the amount of gold imported exceeded the means

possessed by the banks to provide to an adequate extent the notes or sovereigns requisite to meet the obligations created by the Act," and suggesting the issue from the Assay Office of gold pieces of a uniform standard, instead of the ingots, so that they might be used as a circulating medium. The Governor assured them that steps should be taken to allow the banks to meet their liabilities in bullion, for such further period as was necessary after the Act expired. The Legislative Council met in September, and an Act was then passed making stamped tokens, issued from the Assay Office, legal tender. The value of these tokens was £1, reckoned on the basis of £3 : 11s. per ounce. It was hoped that this additional metallic currency would enable the banks to control the issue of notes, and thus render any extension of time for the payment of them in bullion unnecessary. From the beginning of October 1852, therefore, the Assay Office took on the function of a local Mint. The later Act was not restricted to a definite time, but it was provided that if, in any consecutive four weeks, the amount of gold brought to the Assay Office should be less than 4000 ounces, the Office should be closed. During 1852 the price of bullion throughout Australia had been rising, and coin had been introduced from England in large quantities. It was therefore found on 28th January 1853 when the Bullion Assay Act had expired, and with it the legal compulsion of the banks to take gold at £3 : 11s. per ounce, that the banks were in a position to announce their readiness to receive it at £3 : 14s. per ounce. As was to be expected, with the banks buying gold at £3 : 14s. and the Assay Office offering £3 : 11s., no gold was brought to the last-mentioned establishment, and on 3rd February 1853 a proclamation was issued declaring that the Assay Office would be closed on 17th February. It had received and assayed during the period for which it was at work gold to the value of £1,462,836. The experiment in currency had been completely successful. It worked well while it was in force, and it ceased at the appointed time, without causing any inconvenience.

PART V

FROM THE INTRODUCTION OF FREE SELECTION
BEFORE SURVEY TO THE ESTABLISHMENT
OF PROTECTION IN VICTORIA, AND THE
BEGINNING OF A VIGOROUS POLICY OF
PUBLIC WORKS IN ALL THE COLONIES

I

INTRODUCTION TO THE FIFTH PERIOD

THE fifth industrial period extends from the close of the gold era to the year 1873, and it was during this time that the first steps were taken along the course that has led to the industrial and social conditions now existing in Australia. The years 1862 to 1873 were, in one view, a pause between two periods of rapid development. If the gold discoveries, as Wentworth said, precipitated Australia into a nation, during this subsequent period the precipitate settled itself, and the peculiar characteristics of Australian economic life began to emerge. From 1851 to 1862 Australian society had undergone violent changes. The diffusion of wealth, the rapid changes of fortune, had overthrown all the old ideas of class stability; the inrush of population had entirely obliterated bond labour as an economic factor in the country, and the change in the constitution and the wide extension of the franchise had prepared the stage for the entrance of democracy. It is the gradual and somewhat timid appearance of democracy which is chronicled in the period now under review.

The swift and easy gains of the gold period had gone. After 1861 the El Dorado dreams of that era gradually faded from men's minds, and, although large discoveries of gold were made in the 'sixties and afterwards, the impulse towards gold-seeking never again became a dominating passion among any large part of the community. Gold-seeking lost its glamour when it became in the main an industry, like other industries, and the increase of

quartz-mining, with its necessary accompaniment of capitalist and wage-earner, helped to bring about this disillusionment. The unrest of the previous period, an unrest which drove men from their homes to the goldfields and from one field to another, persisted in an unrest of mind, a desire for change, a demand for enlarged opportunities, and these were reflected in the political life of the period. In speaking of it as a pause between two periods of progress, it must not be supposed that the community rested on its achievements and surveyed the advantages which had been gained. On the contrary, the working classes were engaged during the greater part of the time in a resolute struggle to maintain their new standard of life, and they endeavoured to compass their end by the exercise, though as yet tentatively and indirectly, of their newly gained political power. The decided industrial and commercial depression extending over the greater part of the period gave a certain colour to the democratic policy. The sentiment of nationality became embodied in the cry of "Australia for the Australians" and was shown in an active opposition to immigration and an impulse towards protective tariffs, while the struggle between capital and labour and the desire for personal independence shaped the land policy in almost every colony.

The different colonies varied considerably in the provisions of their Land Acts, but the object of all was the same. They aimed at the settlement of the land by small cultivators, and, for this purpose, the acquisition of land by persons of small means was made as easy as possible. Almost all of them failed more or less conspicuously to accomplish their aim, and demonstrated how impossible it is to make land readily accessible to the poor without, at the same time, making it far more easy of access to the rich. The most marked result of the land legislation of this time was the formation of large freehold estates. It was the condition of the colonies which led to this result rather than any defects in the Acts themselves. They were really an attempt to alter the natural course of

development of the colonies, and to force small agricultural holdings upon countries whose direct line of economic growth lay in pastoral development. The Land Act of New South Wales, in theory the most democratic of all, with its unfettered free selection, was powerless to produce agricultural settlement. The colony remained as purely a pastoral country at the end of this period as it was at the beginning. Conditions and results in Queensland were very similar. In South Australia, on the other hand, where the bent was already towards agriculture, the Land Act had a large measure of success. Victoria occupied an intermediate position: a fertile country, a limited territory, and a denser population were powerful aids to the adoption of agriculture. In Tasmania and Western Australia the attempts to popularize the land systems were very ineffective, but these colonies were, during this period, back-waters in the stream of Australian progress. The Land Acts were the cause of constant conflict between rich and poor during the period, a conflict whose arena was at times political, but was carried on also, especially in New South Wales, in a more embittering and less legitimate way.

From 1861 to 1872 the colonies were battling with the difficulties of their position; from 1872 onward, it may be said, they were in a measure able to enjoy the advantages which that position ensured them. Many of the difficulties that beset this period arose out of the necessity of providing for a population that had come to Australia with no definite intention of permanently establishing itself in the country, but merely of winning gold and then departing. The majority of the gold-seekers, however—some by choice, some by necessity—had remained in their new home. The country they had settled in was mainly pastoral, with a little agriculture around the more important settlements. The newcomers were neither pastoralists nor farmers and their conversion to the ordinary ways of colonial life was not accomplished immediately, nor without much difficulty and many failures. It was not easy for

a restless gold-seeker to transform himself into an ordinary colonist when gold-seeking was no longer profitable; nor after ten years of unsettlement was it possible for the population, whether new or old, to get back to the orderly conditions of settlement under which alone permanent advancement was possible. To these incidental difficulties were added others that greatly retarded the progress of the colonies.

During the greater part of this time the public finances of all the colonies, with the exception of Victoria, were greatly disordered. During the gold period the revenue of the colonies had leapt up and their expenditure had risen proportionately, but when depressed trade affected the revenue it was by no means easy to reduce expenditure. Many of the colonies were wishful to embark on schemes of public works, and for these they needed money. Various expedients were proposed, some of which became law, but all proved unsatisfactory or inadequate to the end in view. At the beginning of the period there was great willingness to lend on the part of English financiers, as was shown by the considerable loans floated for Queensland and Victoria, but this willingness was checked by the condition of English finance in 1864, and did not return until after the *débâcle* of 1866. The action of the United States of America in repudiating liability to repay its loans in sterling was not without its influence, for it was a favourite maxim of the 'sixties that what America had done Australia would do. The avoidance of Australia as a field of investment had doubtless also a close connexion with the adverse seasonal conditions which prevailed throughout the whole continent with little interruption from 1861 to 1872. The country was not without experience either of floods or of prolonged droughts, but the disasters during the years just mentioned were more marked than at any other period, and naturally had a baneful effect on all branches of industry. Nevertheless, it must be admitted, the financial difficulties of the Australian colonies were largely of their own making.

None of the other colonies showed the reckless extravagance of Queensland, but there was a great lack of financial ability. Generally speaking, the expedients suggested to balance the revenue and expenditure were ineffectual and entirely without originality, and the method used most frequently was the issue of a small loan. In New South Wales the constant issue of small loans under differing conditions of interest and repayment, while the deficit increased steadily, produced a very marked effect on investors, and in 1866 it was, for some little time, uncertain whether the Government would not be obliged to stop its public works.

As soon as the colonial loans were placed upon a proper footing, they received favourable treatment in the London money market. In the meantime, the public service was cut down to the narrowest margin, becoming as a rule, and on that account, more or less inefficient, and only the most urgent works were carried out. Where a treasurer resorted to borrowing for carrying out works of public utility, the terms on which loans were obtained were extremely onerous, and the supply of money offered very limited.

Besides these political and natural hindrances to progress, there was another important drawback of a social character, not unconnected with the original derivation of a minority of the population, which must not be overlooked. The general reversal of the conditions of the previous period, that took place soon after the gold discoveries, gave to the worst portion of the population opportunities of wrongdoing which they were not slow to take advantage of. The colonies had never been quite free from highway robbery, although the effect of the "Bushranging Act" of 1830 had been to put down systematic bushranging over the parts of Australia ruled from Sydney. But the material out of which bushrangers are made was always present, and there was a severe recrudescence of the pest in its worst form immediately the movement of population, consequent on the discoveries, began to be important. The evil kept on increasing, and

in 1862 and 1863 it became a public menace in New South Wales and the adjacent districts of Victoria and Queensland, so many bushrangers were then abroad, and so many aiders and abettors had they in secret. Among the men whom the gold discoveries had attracted to Australia, there was a large proportion of undesirables, who had neither the physique nor the character out of which good colonists are made. It was this class which supplied the bushrangers and their thousand sympathizers, and from which were drawn the men who filled the asylums of the colonies, and the bulk of the inefficient who were so conspicuous in the ranks of the unemployed during the late 'sixties.

The indifferent material of a large minority of the people who came to Australia during the gold rushes, became apparent when work without excitement came to be their daily portion; and a knowledge of this gave point to the discussions, which from time to time took place, concerning the fundamental principles on which an immigration policy should be based. A great deal has been said in these pages regarding immigration, but it is a curious thing that immigration has never been a question of settled policy, on the part of the Governments or of any large section of the people of Australia. What enthusiasm there was in its favour was at first confined to the employing class, who have at all times been in favour of immigration as a means of securing cheap labour; while latterly there has been a small school of immigrationists desirous of peopling the waste places of Australia, so that the emptiness of the continent may not tempt foreign aggression. The great body of the wage-earners have been, if not hostile, entirely indifferent to taking steps to introduce new population. They see in the newcomer a competitor for employment, and they fear that, where he is not a competitor, he may bring with him a low standard of living which, if it prevailed to any considerable extent, would have the effect of depressing wages and reducing their own standard of living. These fears are by no means groundless. The extreme immigrationist is willing to accept any

description of newcomer not a criminal. He believes, or professes to believe, that the clear skies, the magic air, and the broader life of Australia will vivify the indolent, give heart to the London unemployed, and regenerate the degenerate : they will do, in fact, the work of the alchemist and turn base metal into gold. The history of Australia does not justify these extravagant expectations. The gold period brought all conditions of men to the colonies ; fortunately the large majority were brave, adventurous, and resourceful. Those who were not strong and hard-working got little or no advantage by their change of skies. The gracious climate of the southern and south-eastern seaboard casts a spell even over the most energetic : it is not therefore a matter for surprise that there was no revivification, enheartening, or regeneration of the lazy, the weak, or the degenerate, and Australia presented, during the quarter-century following the gold rush, the spectacle of thousands of persons whom no inducement to better their condition could incite to steady work, and who lived almost from hand to mouth without care or thought for the future. No serious student of Australian affairs can doubt, from the evidence everywhere open to him, that, important as is the necessity of populating the country, the quality of the immigrants introduced is equally important, and that quantity without quality is a grievous error. This truth has had ample demonstration. Throughout the convict period the inflow of population consisted mainly of degenerates, who were not transmuted into desirables under the influence of Australian conditions ; and their descendants contributed very largely to the criminal population and the population with criminal leanings, so widely distributed during the gold period and the ten or more years immediately following it. The exiles forced upon Australia, after transportation was ostensibly abolished, gave no evidence that a change of home brought with it changed inclinations ; and the selections from the work-houses of England, and the starved and energyless recipients of assisted passages, obtained for them by charitable

agencies, during the period preceeding the gold discoveries, seemed likely to form a slum population about the great cities, until they were swallowed up in the strong current of vigorous manhood attracted to the country on the discovery of gold.

In 1873 the Imperial Emigration Commissioners, whose work had been decreasing gradually for some years, handed over their attenuated functions to the Board of Trade, and thenceforward Australian immigration passed entirely into the hands of the Colonial Governments and their agents in England.

The co-ordination of immigration to British colonies, by the formation of one central bureau, is an idea repeatedly advanced, but it presents many difficulties. The Emigration Commissioners did a great work towards ensuring the health and security of third-class passengers, and in demonstrating the commercial possibilities of a properly conducted emigrant traffic; but the whole course of their relations with Australia shows that there is little likelihood that any scheme of assisted immigration would be permanently satisfactory which is not within the complete control of the Governments of the States concerned.

Reference has been made, in the introduction to the last period, to the various reforms made and attempted in regard to parliamentary representation, the composition of the Second Chamber, agrarian legislation, and other large matters. In the period under review the various Parliaments were also very active.

It is a foible of every age to praise the brave days of old, and in Australia regret is frequently expressed that the calibre of the men more recently engaged in political life is inferior to that of the men so engaged in the early years of responsible government. Such a statement is altogether too sweeping, and is probably incorrect; but it is certain that on the introduction of self-government into the Australian colonies many bright intellects were attracted to politics, and it is safe to say that the proportion

of the intellectual wealth of the community devoted to politics was greater then than at any subsequent period.

In New South Wales the question of an elected Legislative Council was hardly ever out of sight. Wentworth, who is often spoken of as the "father of responsible government," disappointed with the failure of the nominee system adopted at his suggestion, lent the weight of his approval to the proposals for reform. In June 1862 the Attorney-General introduced in the Legislative Council a Bill to reform that Chamber. The property qualifications for the electors recommended by this Bill were : Freehold or leasehold for an unexpired term of at least twenty-one years, of the value of £300, or £20 per annum ; leasehold, if for a less term, of £50 per annum ; household occupaney paying rent of £50 per annum, or pastoral tenure of Crown lands at £20 per annum. The Hare system of voting for election was advocated. It was also proposed to introduce a principle which provided for the appointment of nominated members selected for special services, who should hold their seats for life. After passing through all its stages in the Council, this Bill was sent to the Legislative Assembly on 8th October, where, after being debated for some time, it was allowed to drop. Various other attempts were made, both in this and subsequent periods, to put membership of the Council on an elective basis, but all were ineffectual, and the Legislative Council remains as it was under the original constitution of the colony.

The constitutions of the various colonies prescribed the term of the duration of the representative Houses of Parliament ; in the case of South Australia this was a maximum of three years, but for all the other colonies the term was five years. Almost from the inception of constitutional government there was an intermittent demand in some of the colonies for the shortening of the statutory life of Parliament to three years, and in Victoria a Bill was assented to on 23rd April 1859, during the lifetime of the first Parliament, making the duration of a Parliament three years. Proposals of a like character

were introduced into the Legislative Assemblies of the other colonies, but the majority of the members of these Assemblies, though professing adhesion to the principle of a short Parliament, were in reality very lukewarm in the matter. Few were displeased and none surprised when, in the mass of parliamentary business, these Bills disappeared and were not again heard of, at the end of the period New South Wales, Queensland, and Tasmania still retaining their five-year Parliaments.

The inconvenience, both public and private, caused by the setting up of six separate colonies, without a union for common purposes under a central authority, became more apparent with their progress and the development of responsible government. As no form of federal union was then possible, the colonies being unduly sensitive of any interference with their legislative autonomy, the expedient of holding conferences to discuss questions of common interest was frequently resorted to. To these conferences the colonies, agreeing to take part, sent two or more Cabinet Ministers, one of whom was usually the Premier. Five such conferences were held during the period, in 1863, 1865, 1867, 1870, and 1871, at some of which all the Australian colonies were represented, while delegates from Victoria and New South Wales were always present.

The conference which was held in March 1863 at Melbourne, at the instance of the Government of South Australia, contained representatives from New South Wales, Victoria, South Australia, and Tasmania. Western Australia did not send a representative, as its Government considered it was precluded, by its geographical position, from entering into any of the arrangements contemplated by the promoters of the conference; while the Queensland Government stood aloof, because it had no parliamentary authority to enable it to attend. The subjects brought before the conference were very numerous, but chief amongst them were a general tariff, intercolonial customs duties, transportation, and immigration. Concerning the

tariff the following resolution was passed : " That the basis of a uniform tariff should be determined for the Australian colonies and also for Tasmania ; that the *ad valorem* mode of levying duties upon goods was open to many objections, and that it ought not to be continued, and that the following tariff be adopted by the conference." Then followed a list of the proposed duties, including duties on wines, spirits, beers, tobacco, sugar, coffee, cocoa, opium, dried fruits, candles, oils, and salt. The duties suggested were all comparatively light, and the members of the conference undertook to "urge upon their respective Parliaments the adoption of this tariff." The conference further recommended that "the tariff, which had been agreed upon, after the fullest deliberation, ought not to be altered by any one colony, nor until after the proposed alteration should have been considered in a future conference."

On intercolonial customs duties and their distribution it was resolved that customs duties ought to be paid to the revenues of those colonies by whose population the dutiable articles were consumed ; and that the colonies of New South Wales, Victoria, and South Australia ought to co-operate with each other to secure to each colony the revenue to which it was legally entitled, either by the distribution of the customs revenues collected by all at stated periods rateably, according to their population, or by some other mode which might be considered equitable and practical.

The question of the revival of convict transportation was very seriously considered by the conference, and an address to the Queen was adopted, setting forth that the appointment of a Royal Commission to inquire into the subject of transportation had caused apprehensions in the minds of the inhabitants of the Australian colonies lest some portion of their territory might be selected as a site for a new penal settlement. The address, after reviewing the experience of the colonies, went on to protest against the system, and implored Her Majesty to refuse her sanction

to any proposal for reviving transportation to any part of her Australian possessions.

As to immigration, it was resolved that it was of the highest importance to the prosperity and future greatness of Australia that a healthy flow of immigration should be encouraged and promoted, chiefly from the United Kingdom ; and that, in pursuance of a common interest, the Legislatures should severally make provision (as had been done by some) for permanent legal appropriation, so that they might accomplish this object. Further, that the decision arrived at with regard to any alteration in the tariff should apply with equal force to any affecting the immigration policy.

The conference also dealt with the questions of improving rivers in the interior of the continent, of maintaining lighthouses, and of taking joint action on certain maritime questions, of the assimilation of the bankruptcy laws in the different colonies, and so forth. In later conferences the same subjects came up for discussion frequently, and throughout the period the regulation of intercolonial trade, federation, and postal and telegraphic communication with England were the most important questions considered.

The conference discussions generally showed a broad-mindedness in dealing with matters of great interest to Australia. The necessity for common action on certain subjects was so obvious that the resolutions adopted by the conferences were acted upon, and on such matters as postal arrangements, the renewal of the token coinage, and the uniformity of colonial statistics, very useful results were attained ; but, as a rule, on the most important questions the resolutions were still-born. Those which have been quoted on intercolonial trade, for example, were not received with favour by the local Parliaments, and intercolonial trade relations were more difficult at the end than at the beginning of the period. On these large questions the opinion of the leading politicians was greatly in advance of that of the local Parliaments and of the

democracies they represented. Immigration was another subject upon which it was impossible for the local Parliaments to accept and carry out the resolutions of their delegates in conference, and on the great question of colonial federation no real advance was made during the period.

The absence of a central authority to deal with matters of general concern became increasingly apparent as the resources of the colonies were developed, but international jealousies also grew apace, and there was little reality about the proposals for setting up a federal body capable of dealing with matters of joint interest, and clothed with some executive authority. The conference which sat in Melbourne in March 1867 passed resolutions in favour of a federal council, to come into being when two or more colonies obtained the requisite parliamentary authority to their being represented therein. A Bill authorizing the representation of the colony in a federal council was passed by the New South Wales Parliament, and assented to by the Governor on 9th October 1867, but no other colony took the necessary step. In 1870 the proposal for the establishing of a federal council was referred to a select committee by the Victorian Parliament. This committee reported that a permissive Act must first be passed by the Imperial Parliament, and, influenced by Gavan Duffy, the committee suggested that it would be desirable that the colonies be given the right of making commercial treaties with foreign Powers, and that their neutrality should be secured in time of war. Naturally the permissive Act was not passed by the Imperial Parliament, nor was any other colony found willing to back up the suggestions made by Victoria. The matter was not again seriously taken up until 1883, and will be referred to later on, when the events of that year come to be discussed.

The inconvenience arising out of the collection of duties along the border lines of the colonies of New South Wales, Victoria, and South Australia was felt most keenly in

what is termed the Riverina district of the first-mentioned colony, and as the residents had also other grievances against the Government in Sydney, most of which were, however, not very real, an agitation sprang up for separation from New South Wales. The agitation commenced as early as 1863, and in September of that year a numerously-signed petition from the inhabitants of the Riverina was presented to Parliament, praying for the establishment of their district as a distinct one, with defined boundaries, on the same footing as that of Port Phillip before separation, and with a superintendent or sub-governor. On the same evening a similar petition to the Governor, with the reply of the Colonial Secretary thereto, was laid on the table. The letter of the Colonial Secretary was to the effect that the Government was not prepared to recognize the necessity of defining any portion of the existing colony of New South Wales as a distinct province, and that the appointment of a Government superintendent would impede, rather than expedite, the transaction of public business. This answer did not, of course, satisfy the petitioners, and the agitation was protracted for many years. There was considerable feeling displayed over the matter at the elections of 1872 when the border duties convention with Victoria was on the point of lapsing, and six months later when a Bill to make provision for free intercourse across the boundary line of the River Murray was thrown out by the Legislative Council by a majority of one in a small House, after having passed the Assembly by a large majority. The movement eventually died out when the railways were extended from Sydney into the district. Apart from the inconvenience of the border duties, the grievances of the inhabitants were not very substantial. The agitation for autonomy was largely sentimental, and had behind it the fact that the district is geographically a province of Victoria and then traded principally with Melbourne, and a large section of its inhabitants had come originally from Victoria or South Australia. To this day the Riverina remains more in sympathy with its southern

neighbour than with the rest of the State to which it belongs politically.

Just before this period began, Queensland had been separated from New South Wales. The division was not effected without some bitterness, and this lingered on account of the agitation to include the rich area comprising the Clarence, the Richmond, and the New England districts of New South Wales in the new colony. This agitation burst forth at short intervals during the first few prosperous years of Queensland's progress, but little was heard of it after 1866, and ultimately the business interests of the district centred themselves in Sydney. The final readjustment of the political boundaries of the Australian colonies was made in 1863, when the Northern Territory was apportioned mainly to South Australia, but in part to Queensland.

The disintegration of Australia was a feature of this period. The common policy which had been the natural effect of Imperial rule had disappeared, and though, of course, there remained a similarity due to a similarity of conditions, there was little real attempt to assimilate legislation, but rather a tendency of the opposite kind, which was shown in the fiscal policies of the different states and in other matters of less importance.

The colonies of New South Wales, Victoria, and Queensland, which had formed so recently a single state, were separated from each other in open rivalry. South Australia had always held somewhat aloof, and the geographical and social conditions of Western Australia separated it from all the other colonies, though improved communication and the stoppage of transportation altered this slightly before the period closed. Tasmania lived between hope and fear of being absorbed by Victoria.

This separatist tendency was quite unconnected with any desire on the part of the colonies to separate themselves from the Empire and form independent states. There was occasionally a good deal of difference of opinion between the State Governments and the English Colonial Office,

notably in the case of Victoria, and as the change in the form of government almost necessitated all such difficulties being discussed publicly, party feeling usually became involved; but though for this reason the existence of friction was more advertised, there was really less of it than before the grant of responsible government. English control was undoubtedly irksome at times, even when, as in the case of Victoria's fiscal crisis, it was exerted on the side of impartiality and moderation; but it was far more irksome when, as in the matter of intercolonial tariffs, it was ill-judged and based upon a very narrow view of the constitutions of the colonies and the internal relations of the several parts of the Empire. But though this question and that of transportation led to prolonged and somewhat bitter discussion between the Colonial Office and the Australian Governments, and public opinion was incensed at the delay in conceding demands which in the end could not be withstood, there was no disloyalty and no desire to throw off the yoke of the Colonial Office by severing the Imperial connexion altogether.

At the close of the previous period a compromise had been arrived at in New South Wales, Victoria, and Tasmania on the question of education, two boards being established, one of which had control of the State or "national" schools, and the other of the denominational schools. The compromise, as intended by its authors, was largely in favour of the national schools. It gave little satisfaction; no party accepted it as a permanent settlement of the question, and it was only because other matters seemed more pressing that the dual system was so long tolerated. After 1860 it was evident that a large party was opposed to any form of State assistance to schools in which denominational religion was taught, and that it had a majority in the Parliaments of all the colonies. Victoria was the first to move in the direction of secularizing the public schools, and in 1862 its Parliament passed the Common Schools Act abolishing the two boards, and establishing in their place a single authority called

the Board of Education. This was followed ten years later by an Act suppressing the Board of Education, appointing a Minister for Public Instruction, and making instruction in all schools assisted by the State free, secular, and compulsory. Victoria moved more quickly in the direction indicated than the other colonies, and went further than most by making instruction free to all. New South Wales abolished the dual boards in 1867, but it was not until thirteen years later that all assistance to denominational schools was withdrawn. The other colonies sooner or later adopted the same policy.

The question of the withdrawal of governmental aid to schools, wherein definite religious instruction was given, affected labour and industry indirectly in two ways : first, where the struggle was prolonged it delayed social and industrial legislation, some of which was urgent and important ; and, secondly, whether the struggle was brief or prolonged, it embittered party feeling very much. The bond of religion or of religious sympathy is one of the strongest of human ties, and antipathy, whether well or ill-founded, to a particular form of religious belief, begets in the minds of most persons antipathy also to those who profess the obnoxious belief. The secularists were not by any means opposed to religious teaching, but only to such teaching in State-assisted schools ; nevertheless, the struggle between them and the advocates of denominational instruction was very bitter, and the denominationalists were everywhere discomfited. The bitterness unfortunately did not pass away when the decisive elections were over. The supporters of religious instruction, who were chiefly Roman Catholics, and a few adherents of the Church of England, did not weary of their complaint that the denial of State aid to denominational schools imposed the great burden of maintaining separate schools on those who desired religious instruction during school hours for their children ; and every appearance of prominent churchmen advocating these views was met by a cry that the " Public Schools Act was in danger." In the end the

demand for religious instruction in schools subsidized by the State became identified in the minds of the people at large with a demand for State aid for the propagation of the tenets of the Roman Catholic faith, which of course was a very different matter. The Fenian movement was about this time disturbing the public mind in the United Kingdom, and the loyal colonists of Australia were unnecessarily perturbed at the possible outcome of this movement. As the Roman Catholic Church became identified in their minds with Fenianism, the relations between the two sections of the community grew increasingly bitter. This state of affairs was accentuated by the unfortunate incident connected with the visit of the Duke of Edinburgh to Sydney. The Duke had been received everywhere in Australia with great demonstrations of loyalty, and the whole population was anxious to do him honour. This generous feeling was rudely interrupted by an attempt on the Prince's life. The would-be murderer was Henry James O'Farrell, a person of weak intellect, who, at a public picnic at Clontarf, near Sydney, fired a pistol at his victim, wounding him in the back. The police secured O'Farrell, but they had extreme difficulty in preventing the people from lynching him on the spot, so great was their fury. When the facts in regard to the attempt on the Prince's life became known the greatest anger prevailed. The wildest rumours were circulated, and O'Farrell's action was asserted to be the outcome of a widespread conspiracy. On 18th March 1867, that is to say, six days after the attempted assassination, the Premier, Martin, moved in the Legislative Assembly, and the leader of the Opposition seconded, a motion for the suspension of the standing orders, with the object of passing through all its stages a Bill "for the better security of the Crown and Government of the United Kingdom, and for the better suppression and punishment of seditious practices and attempts." The Bill was readily assented to by both Houses, and became law the day after it was introduced. Its extravagant nature may be

gathered from the fact that, as soon as it reached England, it was disallowed by the Crown. The Treason Felony Act, as it is called, was described by its author as "sufficiently large to include any attempt to depose the Queen, establishing a republic, putting down the Courts of Law, or any designs which may exist here or elsewhere for any such purpose as those." The Act was accepted in a panic of outraged loyalty, but it soon found critics. In the Legislative Assembly the question of the Act and its administration was raised on a motion for adjournment, for the discussion of the case of one Bartholomew Toomey, who was tried and acquitted of an offence under the Act, for saying that "the Prince had no business to come to the country and that it served him right." It was on this occasion William Forster declared that in his opinion the Act was an eternal disgrace to the Parliament that passed it—an opinion which has been endorsed by a later generation. But amongst public men Forster stood almost alone. The entire community was delirious with excess of loyalty; both Houses voted addresses expressive of horror at the crime, of loyal attachment to the Royal family, and of solicitude for the welfare of the Duke of Edinburgh. Indignation meetings were held and the most extravagant professions of loyalty made. For the moment party politics disappeared. A reward of £1000 was offered by the Government for such information as would lead to the arrest and conviction of any person alleged to be an accomplice of the man O'Farrell. At the magisterial inquiry held shortly after his arrest, O'Farrell stated that "the task had been set him by some persons whom he did not name, and although he had failed he was not sorry that he had failed." It is now certain that these statements were not true and that he had not any accomplices.

Some time after the Prince had left the colony, and his would-be assassin had been executed, Parkes, who was at that time Colonial Secretary, in the course of a speech delivered at Kiama declared "that he held in his possession and could produce at any moment evidence, attested by

affidavits, which left on his mind the conviction that not only was the assassination of the Duke of Edinburgh planned, but that some one who had a guilty knowledge of the secret, and whose fidelity was suspected, had been foully murdered." This evidence he declared would carry conviction to the mind of any other impartial person. Such a statement, coming from an important and responsible adviser of the Crown, created a profound impression, not only on the people of New South Wales, but on the whole of Australia. The good faith and loyalty of a large section of the community was virtually impugned, and the most intense sectional bitterness prevailed, which men of goodwill and of all political parties subsequently tried in vain to remove. No one now believes that Parkes's statements had any foundation in fact, although his good faith, in making them, may not be doubted. He was misled by officials, a number of whom, on occasions of this kind, can always be found to feed the flames of discord. The so-called revelations made at Kiama ultimately became a subject of much discomfort to their author, having passed into the vocabulary of party politics under the contemptuous appellation of the "Kiama Ghost."

The events connected with the agitation against the continuance of State assistance to denominational schools and the attempted assassination of the Duke of Edinburgh would scarcely need attention, in what is intended to be mainly an account of the industrial progress and labour tendencies of the country, were it not for the important political consequences that sprang from them. The anti-Irish and anti-Roman Catholic antagonism extended to all parts of Australia, but after a time it became greatly modified in most of the colonies, as no very prominent man identified himself with it or sought to keep it alive. Not so, however, in New South Wales. In that colony, Sir Henry Parkes closely allied himself with the anti-Irish party, and several general elections were fought in which the real issue was the exclusion of Roman Catholics from public life. Parkes was a man without any personal

bigotry, and merely used the tools at hand to promote his political purposes. The result was inevitable. He was credited by his opponents with a perverse malignity in promoting measures antagonistic to their beliefs and desires, and so it happened that, on every public occasion, nearly the whole of the Irish Roman Catholic influence was arrayed against him, and its vote cast in favour of his opponents. The immediate effect of this condition of affairs was to benumb political action, and after 1868 politics became a game of see-saw between the Parkes and the Cowper-Robertson parties, the latter, although not by any means committed to denominational education, always receiving the denominational vote. The importance of this vote will be plainly seen when, later on, the fiscal question in New South Wales comes up for discussion.

The establishment of the colony of Queensland made the sixth independent Government in Australia, and left to the parent colony the area comprised within its present limits as well as the so-called Northern Territory and a strip of land to the west of the 132° east longitude. A station had long been maintained at Port Essington on Coburg Peninsula, at the extreme north of the territory, as an outpost for the protection of British trade in northern waters, and as a harbour of refuge, but was abandoned in 1849, as every commander of a Queen's ship exploring in those seas had condemned it, expressing a preference for Port Albany. Shortly after the separation of Queensland a small establishment with a Government Resident and a detachment of Marines was stationed at Somerset, a harbour of refuge on the inner side of Albany Island. It was ultimately found that the new station lay too far from the route of vessels navigating Torres Straits, and Port Albany was abandoned in favour of a new station established in 1875 by the Queensland Government at Thursday Island, one of the Prince of Wales group in Torres Straits. The abandonment of Port Essington by the Imperial Government and by New South Wales left the Northern Territory practically tenantless, and on the rectification of

the New South Wales frontiers, consequent on the separation of Queensland, the Northern Territory was transferred to South Australia, and the boundaries of the six colonies defined as they now stand.

The vast continent of Australia had now been roughly explored, all that remained at the beginning of this period being to fill in the spaces between the various routes taken by former explorers. This was soon done in Eastern Australia by the pioneer squatters; in Western Australia the work was much slower of accomplishment. Between 1861 and 1869 the efforts of the colonists were directed to taking advantage of the discoveries made by the brothers Gregory in the "Nor'-West" districts, and settlements were made near the De Grey River, at Roebuck Bay, Camden Harbour, and the Denison Plains, but the colonists did not give up the idea that beyond the belt of desert land, that bounded the Swan River colony on the east, there might be, still undiscovered, good grazing country and possibly rich agricultural land. Various efforts to penetrate the district lying between the settled districts and South Australia and southward to the sea had been made, but the discoveries were of no great value, and no proper idea of the country was obtained until John Forrest made a series of expeditions, all of which were highly successful. In the course of his first expedition during 1869, Forrest penetrated 250 miles farther eastward than any previous explorer, but the country passed over proved to be extremely inhospitable. He was next given command of an expedition which had for its object the traversing of the country between Perth and Adelaide, along the shores of the Great Australian Bight. In this expedition he proved that the desert lying behind the tall cliffs of the inlet, did not extend for any great distance inland, where, indeed, he met with fine pastoral country, although the absence of permanent surface water proved a serious drawback. In 1871 he made a second journey in search of new pastoral country. The one important circumstance made known by these expeditions was that there was no river,

emptying into the Bight, which might have been unwittingly crossed at its mouth by Eyre in 1840. The only other expedition of an important character was that of Giles, who in 1872 set out from South Australia with a view to explore the tract of country between the Transcontinental Telegraph Line and the western settlements. His westward progress was stayed by the large salt marsh to which he gave the name of Lake Amadeus. In a further expedition his comrade, Gibson, lost his life in the desert since known as Gibson's Desert.

Going back to the year 1861, we find Western Australia, after ten years' experience of the convict system, making little headway. The Governors who held office between 1850 and 1861 had not proved adepts at managing a convict colony, and in Governor Fitzgerald's time there were many complaints that the use to which the labour of convicts had been put was far from being judicious. It was therefore thought proper by the Colonial Office to appoint, as a successor to Fitzgerald, a man who had had training in a convict settlement. Such a man was found in J. S. Hampton, to whose quarrels with a Select Committee of the Legislative Council of Tasmania reference has been made in the previous period. Hampton lost no time in putting the public works of the colony on a business basis. He was a stern disciplinarian, and was able to gauge to a nicety how to get the maximum of work from the human muscle, and how to employ convict labour to the best advantage. He set to work with a will to improve the colony's means of communication, and succeeded so well that it has been said of him: "The remembrance of Hampton's administration is perpetuated in miles of macadamized road, in the covering of many a heavy sand-stretch with well-laid metal, and in bridges and causeways innumerable over river and swamp, from one end of the settled districts to the other."

Governor Hampton surrendered his office in the month of November 1868, and with the termination of his régime the era of convictism was closed; but with the cessation

of transportation, and the maintenance of prison labour, passed away also the large Imperial expenditure—although the withdrawal was gradual. The settlers at first felt this rather keenly, for though willing enough to be cleansed of the convict taint, they were far from pleased at the loss of its solatium in currency. The “system” had reigned in the colony for about eighteen years; and the settlers’ expectation of material advantage accruing from its continuance in their midst had been fairly satisfied. Nevertheless, beyond giving cheap labour and a large circulation of money, transportation had done nothing for the general advancement of the colony, and had rather fostered than removed its chief bane—isolation.

To Governor Hampton succeeded Frederick A. Weld, whose term of office extended from September 1869 to the close of 1874. Governor Weld was a man of excellent abilities, and had had previous experiences of administration in New Zealand. He arrived in Western Australia when its large area served no other purpose than securing the isolation of the few thousand convicts and ex-convicts who formed the majority of the population. In every respect the conditions that make for progress were wanting. He thought that he perceived the causes that tended to keep the colony in a state of backwardness, and determined to break down the barriers which shut in the colony from intercourse with the outside world, as well as to provide more adequate means of communication between the centres of settlement within it. His first task was to arrange for regular steam communication between Albany, the Vasse, Bunbury, Fremantle, and Geraldton. This was the beginning of a trade which steadily grew, and later on all the intermediate ports between Albany and Cambridge Gulf enjoyed the advantages of a regular and efficient steam service. More frequent communication with the Old World was not within his power to arrange. The monthly boats of the P. & O. Company called at King George’s Sound, but the service was maintained in the interests of the eastern colonies, and

those interests did not warrant the expenditure that a more frequent service would have entailed. Western Australia was therefore compelled to remain for some years longer with no regular communication with England, other than that afforded by the mail-boats.

Having contrived to connect his far-separated coastal outposts by means of the steamship, Governor Weld's efforts were next directed to uniting the scattered hamlets of the interior by means of the telegraph. He had many difficulties to overcome, but before his departure, at the end of 1874, he had the satisfaction of seeing at least all of the principal centres of population connected by telegraph lines. Having carried the colonists along with him so far, he determined they should go farther. By the aid of his legislature, which had now been made two-thirds elective, he induced the Colonial Office to consent to the raising of a loan, to provide funds for the construction of the colony's first railway. This was a line from Champion Bay to Northampton, where there were rich lead deposits and copper in great quantities. Unhappily for the speculation, before the railway was completed, the price of lead fell to so low a figure that very little ore was mined, and the railway failed to pay working expenses. The contractor also involved the colony in costly difficulties and disputes, and the colonists' first venture in the field of railway construction was neither profitable nor encouraging. Nevertheless, the Northampton line was no sooner completed than work was commenced upon another line, which, beginning at Fremantle, went on to Perth and Guildford, and, crossing the Darling Range, tapped the rich farming lands beyond.

Governor Weld did many other things to advance the interests of the colony, but, taken as a whole, Western Australia was slow in throwing off the swaddling clothes of infancy, particularly when the period of its emergence is considered with relation to the advance made by the sister-provinces. Governor Weld is largely and honourably associated with much of its social and political

progress. He arrived in the colony at a time when political aspirations had begun to awaken and the people to evince a desire to partake more directly in the management of their affairs, and he stimulated the new political awakening to the utmost. Though eager and anxious to minister to the progress and welfare of the people over whom he ruled, his schemes for their advancement were frequently thwarted by the Colonial Office. This caused his recognition of the fact that his position with the Downing Street authorities would be far stronger if he were backed by representatives of the people. In the year 1870 he was permitted to carry out his ideas so far as to secure a legislature partly elected and partly nominated, just as was formed in the other colonies prior to the introduction of responsible government; but no further progress was made in the direction of self-government until the next period was on the point of conclusion.

While such poor progress was being made in the west, the colony of Queensland began its prosperous career. Queensland, in its early years, was the spoilt child of the Australian colonies. No other was ever allowed so free a development. Victoria was the only one which approached Queensland in the rapidity of its progress, but in its early days Port Phillip was intrinsically a portion of New South Wales, and its policy was controlled and directed from Sydney. Queensland leapt into being with a semi-representative government, unlimited powers of legislation, and its financial schemes were limited only by its credit. It had been constituted a separate colony on the first day of December 1859, with a nominated Council and a Legislative Assembly elected on a franchise, the least qualification of which was a £10 annual lodger's tenancy. The population of the new colony on the day of separation was about 25,000; of industries, sheep and cattle-grazing was the only one deserving the name; agriculture was limited to the cultivation of about 3000 acres, mostly maize and hay crops, and mining was represented by a couple of coal-pits of small output. Three-fourths of the richest pastoral

land in the colony were untenanted save by aborigines ; there was not a seaport town in the colony to the wharves of which a laden ship of 1000 tons could approach, and there was scarcely a made road in the whole territory, though the city of Brisbane had been proclaimed a municipality on 6th September of the year preceding.

The task of organizing the colony was given to Sir George Bowen, and with him came Robert G. W. Herbert, who, like the Governor himself, had served as private secretary to Gladstone ; this gentleman was appointed by Bowen as Colonial Secretary and First Minister. The elections having been held, the first Parliament was opened on 29th May 1860, just ninety years after Captain Cook's visit to Moreton Bay. The Herbert Ministry kept the Parliament busy, and in addition to Acts regulating primary and secondary education, abolishing State aid to religion, establishing municipal government and regulating the transfer of real property, it embarked immediately on very important legislation as to land and immigration, and attempted to secure the agricultural settlement of the coastal districts by newly-arrived immigrants, leaving the immense hinterland of the colony open to pastoral occupation. The scheme of agricultural settlement was a failure, but, as a result of its immigration policy, the colony soon received a large accession to its population ; in the first four years alone the number added was not less than 46,422.

During the first years of responsible government the pastoral industry was prosperous, and settlement had spread all along the coast as far north as Cardwell ; inland, the Thompson River was being rapidly occupied, as was, northward, the country watered by the Flinders River ; the Plains of Promise were occupied by cattle, and the hinterland of the Gulf of Carpentaria was rapidly taken up for squattages. As in the early days of New South Wales it was impossible to keep settlement within defined limits ; indeed, the Government made no attempt to do

so, and the squatters incessantly pushed forward their frontiers, though greatly harassed by the hostility of the aboriginal inhabitants. Murders by the blacks of solitary shepherds and straggling stockmen were constantly being reported, without exciting much more than passing interest and annoyance. The colony was greatly shocked, however, when a massacre occurred on a larger scale, and a whole family named Wills, together with their station hands, nineteen persons in all, were slaughtered by the aborigines in one night. This outrage was followed by an act of vengeance by the whites, the police, assisted by volunteers, killing some 170 aborigines whom they pursued to the Midway Ranges.

The aborigines of Australia form a distinct race, and it may be presumed that the whole of them throughout the continent sprang from the same stock, although it is remarkable that their languages differ so greatly that tribes within short distances are often quite unable to understand each other, and in fact almost every large community of natives has its own peculiar dialect. It is difficult to form a correct estimate of the numbers of the aborigines; but there is reason to believe that some generations ago they were very numerous, and that they must now be counted by fives where they were formerly counted by hundreds. In Tasmania they have disappeared altogether, the last of the tribe in that State having died in 1876.

It is recorded that Governor Phillip estimated the aboriginal population about the close of the eighteenth century at one million; the number between Broken Bay and Botany Bay appearing to have been about 3000. It is impossible to say how far this estimate was in accordance with fact; for although at the time it did not probably seem an exaggerated conjecture, in the face of so large a number as 3000 having been found within the small area between the bays above mentioned, yet, considering how small a portion of the territory was then explored by the early settlers, the statement might be accepted as what

it professes to be, namely, an estimate at a time when the data to hand were very limited.

It has been the misfortune of the aboriginal of Australia, as it was of the Carribes, the North American Indian, and the Hottentot, to be found in the way of European colonization; and the black has not seen the white man take possession of his territory without many an attempt, by deeds of cunning and of blood, to stop the invasion and to avenge the injury. It would be easy to gather from the records of British colonization in Australia many instances of horrible crimes committed by the aborigines, similar to that of the slaughter of the Wills family. These crimes furnish a motive, but scarcely an excuse, for the severe treatment of the aborigines which continued in some parts of Queensland up to a comparatively recent date. The blacks of Queensland were more virile than their southern relations, and were ever ready to exact a tooth for a tooth and an eye for an eye. Outrages by them were, in nearly all cases, simply reprisals for what they regarded as similar outrages perpetrated upon them by white men. The native police established to hunt down their offending brethren revelled in the barbarous work, and appear to have been guilty of many acts of an atrocious character. The settlers themselves too often regarded the aboriginals as a species of vermin. Battues for the dispersal of tribes were frequently formed in retaliation, it is true, for the killing of a shepherd or the slaughter of cattle, but little discrimination was exercised in seeking out or punishing the real offenders. Whatever the provocation may have been—and no one denies that there were serious provocations—it is difficult to palliate many of the acts of the pioneers. In the end the Queensland Government made some amends by reserving certain tracts of country for the blacks, whose ultimate extinction, however, is only a matter of a brief period.

The attention of the colonists was not confined to the grazing industry. Under the stimulus of large bounties the growth of cotton was attempted; sugar culture was

also encouraged by liberal facilities for the acquisition of plantations on the alluvial lands along the coastal rivers and creeks, and the manufacture of sugar from Queensland cane was commenced towards the close of 1864.

The Herbert Government remained in office during the whole term of the first Parliament, and at the dissolution the elections of 1863 were favourable to it. Large numbers of immigrants were introduced, under the scheme already mentioned, and in order to promote their settlement on land, within reasonable distance of the markets of the colony, and to develop the manifestly great resources of the country, the Government entered upon a vigorous policy of public works. The revenue of the young colony was not, of course, adequate to meet the cost of founding its institutions and carrying out great public works; Parliament therefore sanctioned the borrowing of money in London, where, during 1861-64, loans aggregating £1,856,236 were negotiated. With the possession of this money the Government was able to carry out its public works policy. Private investors were not slow in following the course thus set them. In September 1863 the Queensland Bank Act was passed, and the Bank of Queensland, the first bank having its headquarters in the colony, was established with local shareholders and directors. Money became plentiful and credit readily obtainable; building and loan societies were established, and for a year or so business enterprises of all kinds were flourishing. In 1866, however, Queensland was forced to undergo the bitter experience of South Australia in 1841, of New South Wales in 1842, and of New Zealand in the cold days of financial collapse that succeeded the Vogel policy of national expansion and construction of public works. There can be no doubt that the expenditure of borrowed money was extravagant and in not a few instances unjustifiable. The waste of money on railways and in dredging was enormous, and was continued until the funds at disposal were exhausted. Nevertheless when the crash came it took the Government by surprise. Indeed, so unsuspecting of misfortune was the colony that

a pamphlet had just been issued by authority, eulogizing the country's resources and warmly inviting immigration, and employment on Government works was promised to every navvy who would offer himself.

The crisis through which Queensland went during 1866 forms the subject-matter of a separate chapter; it will not therefore be necessary, at this place, to trace its origin or follow it through its various phases. It suffices to say that the acute phase began on 12th July, when the Union Bank refused to honour the cheques of the Government, and lasted about eleven weeks; practically until the close of the following September. The process of recovery was long and tedious, and it may be said that it was not until the lapse of a year that the condition of Queensland was again hopeful. The crisis was, however, purely one of credit. The producing interests of the country remained practically undisturbed in spite of the wailings of the Brisbane men, who concluded that the end of all things was nigh, because they had lost money in speculating on a rise in the value of city lots. For some little time after the acute phase of the crisis had passed, the country was prostrate, not caring to move owing to uncertainty as to the strength of the blow it had received. Trade was flat, but it was largely rendered so by a not unhappy absence of the spirit of rash speculation, which had heretofore given it briskness. Business, when it recovered, found itself fixed on a sounder basis. The real hope of the country lay in the proper development of its natural resources, and the conviction grew that the only way to attain this end was to render the lands of the colony available for occupation by the class of small selectors. To this all parties were agreed; an Act was passed, which it was thought would redeem the land in the settled districts from the grasp of the squatters, and large areas in the railway districts were thrown open for free selection. But the taste for settlement had departed from most of the population, who were out of conceit with themselves and with the country of their adoption, and it seemed to them that only a miracle

could restore them to secure prosperity. In September 1867 the miracle came, for in that month were discovered the rich gold deposits at Gympie.

About one hundred and twenty miles north of Brisbane, midway between that city and Port Curtis, lies the town of Maryborough near the mouth of the Mary River. While wandering about the adjacent district a miner named James Nash found indications of gold, and in a day or two had washed out sufficient of the precious metal to represent a value of some £200 or £300. The news soon spread far and wide, and the discovery was announced to the authorities. Nash led the Gold Commissioner and nearly the whole population of Maryborough to the scene of his fortunate find. All Queensland was in a turmoil, and thousands of impoverished settlers gathered to the new "rush." Then was unearthed the Curtis nugget, containing £3000 worth of gold, and a vast influx of diggers set in from all parts of Australia and New Zealand. The town of Gympie sprang up, and many localities in the neighbourhood were found to contain gold in alluvial deposit. This important discovery revived the spirits of the colonists, so greatly cast down by the crisis of the preceding year, especially as further important discoveries followed soon afterwards, viz. Townsville in 1868, Gilbert in 1869, and Charters Towers in 1872.

Nor was gold the only mineral discovery made at this period. In the year 1872 immense deposits of tin were discovered near the south-eastern border of the colony, at a place now famous as Stanthorpe, and in 1873 the production of tin in Queensland was valued at £606,000. Copper had been discovered in 1862 at the Peak Downs, but in 1872, almost simultaneously with the discovery of tin, far more extensive lodes were opened out on the Mount Perry run in the Burnett district. The discoveries of Stanthorpe and Mount Perry were only the precursors of others equally rich and extensive, and the colonists found themselves dowered with every kind of hidden wealth that only awaited their exploitation. These discoveries led at once

to a great revival of speculation, which had been damped by the occurrences of 1866, and, owing to a heavy fall in the price of metals, great losses were experienced by many who had carried their speculation too far. In 1872 an important discovery of coal, in the Wide Bay district, added a further area to the proved coal-measures of the colony ; but there was no important development of coal-mining, as the slight local consumption was equally well supplied from the New South Wales mines.

Coincident with the mining development above alluded to, both the agricultural and pastoral industries made good progress. The land given over to tillage in 1865, the year before the financial crisis to which reference has been made, was about 14,000 acres. This was increased to 32,000 acres in 1867, in which year the sugar industry was well established, and to 63,000 in 1872, of which about 12,000 acres were under cane. The fostering care of the Government lavished on the cotton industry, to which allusion has been made, seemed to be justified by the progress achieved during the early years, but the American Civil War was raging at the time, and there was great scarcity of raw cotton. With the conclusion of the War the cotton plantations languished, and by the year 1880 the industry had practically ceased to exist. Both in New South Wales and Queensland there had been fond visions of a second America, white with the wealth that outshone even that of the goldfields ; but with the extinction of Queensland plantations all these dreams came to a sudden ending.

While the cotton industry languished cane cultivation grew apace, and by the end of 1869 there were twenty-eight sugar-mills at work in Queensland. The proper cultivation of the sugar-cane requires much more labour than ordinary crops, and as the plant is only grown in tropical or sub-tropical regions only men capable of enduring great heat are able to undertake field-work. The planters also sought a docile and cheap labour corresponding to the negroes of the West Indies. This led to

the introduction of Kanakas, as the South Sea Islanders were called, and involved the colony in difficulties owing to the conflict between white and coloured labour, as well as implicating it in the disgraceful traffic in human beings which was going on in the South Seas. The question is dealt with fully elsewhere. The introduction of Kanakas went on throughout the period, and at the end of it, in spite of legislation, no solution of the question had been reached.

The first Ministry held office for more than six years, but the average term of the five succeeding Ministries was ten months only. During the period covered by these political changes, the various Ministries were more concerned with their political lives than with promoting useful legislation, and the country did not obtain stable government again until the Palmer Ministry took office in May 1870, continuing in office until January 1874. The parliamentary proceedings of this period in Queensland do not present any features interesting from the standpoint of labour and industry, although the conditions of land tenure received considerable attention at the hands of various Governments.

The superior position of Victoria at the close of the previous period has already been referred to. The colony had, moreover, the advantage of having secured a most enterprising body of citizens, justly proud of the achievements of their young colony. In 1861 the population of Victoria was 540,000 as compared with 351,000 in New South Wales; and in 1871 the respective populations were 732,000 and 504,000. The superiority of Melbourne in point of population over Sydney was equally marked. In 1861 the first-named city contained 140,000 inhabitants as compared with 96,000 in Sydney; and in 1871 the populations were 207,000 and 138,000. But Melbourne's superiority was founded on a surer basis than that of mere population. Early in this period the city became the financial centre of Australia. The enormous sums won at the goldfields were poured into its banks, filling

their coffers to repletion, and fields for investment were eagerly sought after. The Riverina district of New South Wales first attracted attention, and speedily became the property of Melbourne residents, either absolutely or by way of mortgage. From New South Wales their enterprise extended to Queensland and across the seas to New Zealand, until Melbourne was without rival in the fields of Australian finance. The diminution in the yield of the goldfields did not alter Melbourne's position. The gains derived from its investments, and the profits flowing to it as the financial centre of the continent, were greater even than the profits coming to it from the goldfields in the days of their highest production.

The great evil of the bushranging pest in New South Wales has already claimed attention. In Victoria the number of the criminal population was at the beginning of this period far greater and its incorrigible character more pronounced than in New South Wales, but the Government had from the first determined to rid the colony of this evil, and its efforts were so far successful that between 1861 and 1871 the convictions in the superior Courts were reduced from 846, equal to 1·6 per thousand, to 511, or 0·6 per thousand, and in the ensuing ten years they were reduced to 331, so that with an increase of 60 per cent in the population in twenty years, there was a decrease of 60 per cent in the number of serious offences.

With these evidences of financial and social progress there was much political unrest. In 1863 Sir Harry Barkly gave place as Governor of Victoria to Sir Charles Darling, who governed the colony until 1866. The interval between these years represents a period of angry and protracted conflict between the partisans of the opposed policies of protection and free trade. A detailed account of the struggle is given elsewhere, but it will not be out of place to note that the cause of protection was espoused by a large majority of the people and of their representatives in the popular assembly, and that the struggle which ensued between them and the Legislative Council, which

upheld free trade, was in truth not merely a struggle for a form of fiscal policy, but a conflict between the newly-enfranchised democracy and the moneyed interests, which had hitherto possessed the greater influence. The fight was a stubborn one, as the Council refused repeatedly to assent to the financial proposals of the Ministry. A deadlock ensued, and it was not for some months that the difficulty was solved after a conference between both Houses. Unfortunately, the Governor, Sir Charles Darling, allowed himself to adopt a partisan attitude, and the conclusion of the struggle was hastened by his recall. He was censured by the Colonial Office for not having observed that impartiality during the political crisis which it was incumbent upon him, as a constitutional administrator, to maintain.

Sir Charles Darling's leaving the colony was made the occasion of a great public demonstration by his political friends. Nor did this enthusiasm evaporate with his departure, for a little later the Legislative Assembly voted £20,000 to Lady Darling as a solatium for her husband's loss of office under the circumstances of his recall. The Bill appropriating this money did not meet with the approval of the Legislative Council, and on its rejection the Government made an attempt, which, however, proved futile, to force the grant through the Council by means of a "tack." This action brought about another deadlock. The M'Culloch Government resigned, Charles Sladen vainly attempted to form a Ministry, and M'Culloch again took office. The difficulty was got over by Darling refusing the grant. The news of his death, which came shortly afterwards, had the effect of moderating the bitterness of party feeling, and at the suggestion of the leader of the Opposition, all parties concurring, Parliament voted an annuity to Lady Darling, thus bringing the whole incident to a conclusion.

To Darling succeeded Manners-Sutton (afterwards, by the death of his father, Viscount Canterbury), whose administration lasted until March 1873, about six years

and six months. During this period there were not less than six changes of Ministry, but these did not sensibly affect the general progress of the colony. The fiscal policy of the country had been settled, and, maugre the frequent Ministerial changes, there was a subsidence in the fury of party warfare, some important social legislation being passed through Parliament. To this period belongs the Education Act, still in force in Victoria, which provided that in all State schools elementary education should be free, secular, and compulsory, all State assistance to religious teaching ceasing at the beginning of 1873. Sir George Ferguson Bowen, who had served as Queensland's first Governor, followed Lord Canterbury in Victoria, and his tenure of office was marked by a renewal of the disputes between the two branches of the local legislature. The more acute phase of this dispute occurred in 1877 under the second Berry administration, and an account of the whole controversy may properly be deferred until the events of that year come to be discussed under the next period.

The history of South Australia during this period is singularly uneventful. The Province was disturbed by no exciting political events, although politics were so variable that during the fifteen years, 1861 to 1876, there was a procession of twenty-three Ministries serving under eight distinct Premiers. The two noteworthy occurrences of the time were the acquisition of the Northern Territory and the construction of the Overland Telegraph Line connecting Adelaide with Port Darwin. On 6th July 1863 the Northern Territory, or Alexandra Land as it was then called, until that time part of the colony of New South Wales, was by Royal Letters Patent annexed to the Province of South Australia, as a reward for the enterprise shown in the promotion of the exploring expeditions of M'Dowall Stuart, M'Kinlay, and others. It was thereupon resolved to found a settlement in this newly-acquired domain, and extensive sales of land were immediately held. The first expedition, however, became disorganized ; years

rolled by while preliminaries were being settled, and the holders of land orders clamoured for the refund of their payments. At this juncture Surveyor-General Goyder was sent north, with a strong staff of surveyors, to lay out the settlement. He at once selected Port Darwin as the site of a capital, and there formed the ground-plan of the town Palmerston. The preliminaries of settlement having been at last successfully accomplished, the Adelaide Government made an effort to have their new territory colonized. Land was sold on easy terms at 1s. 6d. an acre, and a bonus was offered for the cultivation of the sugar-cane ; but very few people were tempted to accept these offers, as, apart from the drawbacks of climate (Port Darwin lay only twelve degrees south of the Equator) the isolation of the new colony was appalling, no ships calling there unless specially chartered by the Government at Adelaide. Simultaneously with the foundation of the new settlement it was decided that Port Darwin should be connected by telegraph with Adelaide, but as the construction of the line would be very expensive and there was no prospect of traffic, the enterprise would probably have been long delayed had not the Eastern Extension Telegraph Company offered to construct a line from Port Darwin to Banjoewangie, in Java, whence there was communication with Europe by way of Batavia, Singapore, and India. On its part the South Australian Government undertook to run a telegraph line across the continent and have it completed for traffic by the first day of January 1872. The task was very onerous for so small a community as South Australia, but was bravely entered on : in less than two years the wires had met and were connected near the centre of the continent ; and in October 1872 through communication was established with Europe.

The frequent changes of Ministry during this period were indicative of the purely personal character of the politics of the country. There were no serious questions, either of administration or of policy, dividing the members of the Legislative Assembly, and Ministries were ejected

from office and replaced with such ease and frequency as to suggest mere levity in the conduct of business. During the whole period the one enactment, of major importance, was the change in the manner of disposing of the waste lands of the Province.

At the close of the previous period Tasmania suffered greatly from the drain of population to the mainland and the neglect of public works. During the years 1862 and 1863 much was done by way of making roads and constructing bridges and tramways to open up the interior of the island, and other methods also were adopted for bringing the outlying districts into communication with the local and export markets; but nothing practicable could be done or suggested to stop the draining away of the population. Year after year numbers of young, hardy, and energetic men left the island to push their fortunes in the more favoured provinces of the mainland. At the end of this period Tasmania badly needed a fillip to stir it out of the stagnation that had fallen upon the country and its population, of which the exodus of its young manhood was an unmistakable sign. This came at last, as in other parts of Australia, from a large influx of miners. In 1872 there were discoveries of gold, both in quartz reefs and alluvial deposits, at Brandy Creek, afterwards called Beaconsfield, at Lefroy, and at other places which have become well-known and important goldfields. Silver and tin were also found in abundance, and Mount Bischoff, discovered also in 1872, had the proud pre-eminence of being, for a long while, the richest tin mine in the world. These important discoveries, notably the last-mentioned, gave a much-needed impetus to trade, and mark the beginning of a new era in the industrial history of the country.

II

IMMIGRATION

NEW SOUTH WALES

THE system of allowing persons resident in New South Wales the privilege of nominating friends in the United Kingdom for an assisted passage, which had been adopted towards the close of the preceding period, was in full operation in 1861, but it was thought that if the conditions of life and settlement in the colony were made widely known in England, a large number of desirable persons might be induced to go out to the colony, at their own expense. Following out this idea, Henry Parkes and William Bede Dalley were commissioned to lecture in the United Kingdom on the advantages which New South Wales offered to settlers. They arrived in England in the summer of 1861, and during the latter part of that year and part of 1862 lectured in most of the important towns of England and Scotland, giving information as to the prospects which New South Wales offered to artisans and agricultural workers and to persons of capital, dwelling especially on the opportunities for acquiring freehold farms which the new Lands Act offered to persons of small means. Their lectures were usually well attended, and they succeeded in rousing considerable interest in the colony, but otherwise there was very little practical result from the mission. The working men who came to listen were unable to pay the passage-money required, and the lecturers had no funds whatever to help them.

In 1862 a change was made in the immigration regulations, so as to permit nominations to be made by persons in England on the payment of a deposit of £11, the deposit by nominators in the colony being £7 only. Very little advantage was taken of this concession, as may be gathered from the fact that during 1862 only 23 persons whose nomination was made in England arrived in the colony, out of a total of 3078 of all classes. It is probable that the requirement of the payment of the nomination money in Sydney had something to do with the small number of English nominations, but the concession of £3 out of a £14 fare was not, at that time, likely to attract many persons to Australia.

The efforts made in England to alleviate the acute distress in Lancashire, arising out of the cotton famine, met with a large amount of sympathy throughout Australia. Several public meetings were held in Sydney and in other centres of population in New South Wales, at which the Government was urged to place on the estimates a sum of money for helping distressed Lancashire operatives to emigrate. Encouraged by the reports of these meetings, the National Colonial Emigration Society, one of the numerous English societies formed to promote emigration, invited the New South Wales Government to lend its co-operation to a scheme of emigration which the Society was interested in; but the Government was disinclined to move. A considerable sum was raised in Sydney by public subscription for the relief of distress in Lancashire, and the money was sent to Sir Daniel Cooper, who was then in England, and himself had given £30,000. Most of the money was applied in maintaining the schools for the distressed operatives which were then doing admirable work in Lancashire; but the subscribers in Sydney strongly disapproved of such a use being made of their money, which they had intended to be employed for emigration purposes or in direct charity. In April 1863 the Duke of Newcastle, who was Secretary of State for the Colonies, sent a circular letter to the Governors of all the Australian

colonies, asking how far they would assist the emigration of operatives. The New South Wales Government replied that it was already giving assistance to nominated persons of the proper classes, and it therefore could not modify its regulations. The Government also indicated that it did not regard the Lancashire operatives as likely to make successful colonists; this was probably true, but it does not seem to have been known in the colony that the distress in Lancashire existed among workers of all kinds and not merely among operatives in the cotton mills.

During 1863 the number of assisted immigrants who reached New South Wales was 4633. As in the previous year very little advantage was taken of the regulation allowing nominations in England; only 48 persons so nominated arrived, and of these 39 were sent by the National Colonial Emigration Society. The regulation was unpopular amongst the working classes in the colony, as it was feared that employers might use it to introduce large numbers of labourers. The Government, however, took no notice of the demand made, from time to time, for the repeal of the obnoxious regulation, which became almost forgotten, so little recourse was made to it.

New South Wales continued its policy of assisting nominated immigrants for several years, without a change in the system, the English Land and Emigration Commissioners despatching immigrants to the colony in their own ships. The number sent out by the Commissioners in 1864 was 4689; in 1865 it fell to 2717, and in the following year to 648. This falling off was not due to lack of nominations, which were as numerous as ever, but to want of funds, as the sum made available for immigration purposes by Parliament was yearly diminished. When the vote for immigration was under discussion in the Assembly in November 1866, strong opposition was shown to it. The whole year had been characterized by very great depression, and it could not be denied that large numbers of men not only in Sydney, but in the country districts, were without employment, and amongst them

were many recent arrivals in the colony. Naturally strong objection was taken by the wage-earners to the importation of any more workers of their own class, and indeed to immigration of any kind; and, the more effectually to enforce their views, the representatives of several of the larger trade unions sent a letter to Applegarth, in which they described in vigorous terms the want of employment which existed in New South Wales. The letter was published by Applegarth in the London *Star*, and from the date of its reception there was a decided change in the attitude of working-men's organizations towards emigration to New South Wales. No further vote was taken for immigration after 1866, but the sum of £29,000 was still in the hands of the Emigration Commissioners in London, and from this sum was paid the expense of despatching 944 persons during 1867, and a few others in later years, who had been nominated before the regulations were repealed. This step was taken in December 1867, the reason assigned for their repeal was that the regulations "were not calculated to introduce the class most required in the colony."

During the six years in which these regulations had been in force, 21,045 persons had been nominated for assisted passages, but of these 4461 had declined to accept them, so that the number actually sent out was 16,584, of whom 5860 were unmarried women. During the same period the number of unassisted immigrants from the United Kingdom had been very small, varying from 600 to 1200 a year, but even this small movement of population was counterbalanced by the numbers going back to England. The cessation of assisted immigration did not increase the number of those arriving at their own expense; there was in fact a slight decrease. People with relatives in the colony, who desired to emigrate, were disposed to await the revival of assisted immigration, and those who had no relatives could at that time find no attractions to draw them to Australia.

During the first eight years of the period New South

Wales drew about 22,000 persons from the neighbouring colonies in excess of the departures for those colonies. Many of these came from Queensland, especially during 1866, 1867, and 1868, and were persons whom the Government of the northern colony had recently helped to emigrate from England or Germany. Others were drawn from Victoria, and settled in the Riverina district, where they were attracted by the abundance of land open to selection under the Robertson Land Acts.

The financial disasters of 1866 had led to great distress among the labouring population of the United Kingdom, and once more all classes were inclined to look to emigration as a relief. A number of societies, supported by voluntary contributions, were formed with the object of promoting emigration, especially to British colonies. Among these was the Workmen's Emigration Society founded in 1869, which was directed entirely by working men, and which united with other societies to form the National Emigration League. The object of this League was to obtain help from the British Government for persons who desired to emigrate, and thus to relieve the unemployment which existed. A deputation from the League interviewed the Premier (Gladstone) in February 1870, and received from him considerable encouragement. The matter was raised in the House of Commons in March, when a private member moved that provision should be made for assisting emigration. The Under Secretary for the Colonies, and the Chancellor of the Exchequer, however, spoke against the motion, the latter on the specific ground that the colonies would show the same objection to "pauper emigration" as they had shown previously to the emigration of convicts. The motion was lost, but the discussion was continued in the newspapers. The advocates of emigration at the imperial expense maintained that the emigration would not be of a pauper class, as what they desired to do was to send out suitable persons before they reached a state of destitution. The *Times*, in a leading article, probably reflected the general view when it stated

that the country was not prepared to pay for the emigration of some of its best workers, and that though it would pay willingly enough for the emigration of paupers the colonies would not be willing to receive them. In New South Wales the movement certainly evoked some distrust, as it was feared that the chief object of all the English emigration societies was to remove persons who were difficult to provide for, rather than to send out useful colonists. There was, however, a considerable body of public opinion in favour of a return to assisted immigration, and in September 1869 an Immigration Bill was introduced into the Assembly by Robertson, who was then Premier. It is doubtful if Robertson himself was greatly in favour of immigration, as his second reading speech was very lukewarm. The Bill provided for the nomination at reduced rates of agricultural labourers, miners, mechanics, and domestic servants. Parkes opposed the measure because the colony had no agent in England, and he objected to "entrust its interests to a set of gentlemen . . . whose interest was simply to get rid of the troublesome classes of the English people." He also objected strongly to the principle of nomination, as it was found that under this system a very great preponderance of Irish immigrants was introduced. The Bill was withdrawn, but the subject of immigration came before the Legislative Assembly again in February 1870. A motion was then proposed to the effect that "a sound and comprehensive system of immigration is essential to the prosperity of the colony, and ought to be introduced without delay." The matter was referred to a select committee, which reported that there was in the colony "a prevailing desire for the immediate revival of immigration," and recommended that immigration should be carried on by an Agent-General, acting for the colony in London, in order that a superior class of immigrants might be obtained; and also that the whole should be conducted "upon principles and in a manner calculated to establish a system of colonization, and not merely as a means of supplying domestic servants and effecting other subsidiary

purposes." The committee recommended that single women should have free passages granted by the Agent-General, "who should endeavour to obtain contributions thereto from the associations now formed in London," and that the other classes of immigrants should receive such help as would place the cost of passage on about an equality with that to neighbouring colonies. A draft bill, embodying these views, was appended to the report, and was introduced on 13th April 1870. By that time, however, employment, which had been fairly good in 1869, had grown worse, and there was in consequence a decided feeling antagonistic to assisted immigration among the working classes in the colony. On 22nd April a deputation waited on the Colonial Secretary, which protested that very great want of employment existed, and expressed the very strong objection to immigration felt by those it represented. The opposition was not confined to Sydney, the miners in the Newcastle district being particularly active. At Wallsend a meeting was held in May to oppose immigration, when the chairman insisted that it was desirable for the miners to "use every legitimate means to thwart the demand for immigration." A resolution was passed declaring that "a scheme of immigration such as the one proposed is calculated to import into the labour market a redundancy of that element of which a surplus already exists, and is likely to have the effect of lowering the condition of the class who live by their labour." The result of this agitation was that the bill drafted by the select committee was quietly dropped. The sum of £11,000 still remained in the hands of the Emigration Commissioners, and, acting on a recommendation of the committee, the Government empowered them to use it in sending out single women suited for domestic service and a few married persons accustomed to farm work, who were to look after the young women on the voyage. Accordingly in November 1870 the Commissioners issued a pamphlet setting forth the terms on which they could grant assisted passages to New South Wales. A payment of 10s. only was required

from the single women, but married men were required to pay £5 and their wives £2. It was not until the close of 1870 that the Commissioners were prepared to send any emigrants to the colony, so that none were despatched during that year, and only a few in the following year, as the small balance available for the purpose was not supplemented by remittances from Sydney.

In February 1870, the Secretary for the Colonies (Granville) addressed a circular letter to the Governors of the colonies, considered suitable to British emigrants in which he asked to be furnished with their opinions as to the prospects which these colonies held out to immigrants of the agricultural and artisan class. The object of the circular was to discover the feeling of the colonies in regard to emigration from the United Kingdom at the Imperial expense. Being unable to speak from first-hand knowledge of the colony the Governor of New South Wales asked the magistrates and parliamentary representatives of various districts, to give him their views on the subject of the inquiry. In this way he collected a large amount of information and obtained the views of the employing class and of those in sympathy with it. It is evident, from the Governor's report, that there was a large body of opinion in favour of a revival of assisted immigration; at the same time, while it was claimed that there was a demand for more labour, it was for labour that would be willing to accept lower wages than were then current. It was considered commonly by employers that the rates of wages paid in the colony were an effectual bar to the development of industry, and that, while the existing supply of labour might not be fully occupied at those rates, a much larger amount could be absorbed if they were reduced. There can hardly be a doubt that the opinion, expressed by Bawden, the Member for the Clarence and Richmond River districts, was in accordance with the general views of the employer class, although few persons ventured to express them so frankly. At this time agricultural labourers were paid about £40 or £50 a

year, with house and rations; mechanics 10s. a day; common labourers 5s. to 6s. a day, and domestic servants from £25 to £30 a year. These rates Bawden would have reduced to £30 for agricultural labourers, 6s. for mechanics, 3s. 6d. for labourers, and £15 to £20 for domestic servants, and these reductions being made, the demand for labour, which was then barely equal to the supply, would greatly exceed it. Whether the employers were altogether right in their assumption, that assisted immigration would tend to depress wages, does not greatly matter, but that such was their expectation admits of no doubt. The Governor collated these opinions and sent his report to the Secretary of State, at the same time forwarding newspaper reports of workmen's meetings in opposition to immigration. By the time the replies to Lord Granville's circular despatch were received in England, the industrial distress had given way and the immediate cause of his action had disappeared, so that no further steps were taken by the British Government to promote emigration at the public expense.

In September 1870, the Legislative Assembly of New South Wales once more considered the question of immigration, on a series of resolutions, moved by Parkes, to the effect that an Immigration Bill should be introduced during that session. Charles Cowper, in reply, said that whatever hope there might have been, in the previous session, of passing an Immigration Act had now passed away. The distress due to the floods, the lack of employment, and the condition of the revenue made it impossible. He accused Parkes of wishing merely to embarrass the Government and not to promote immigration in the least, an accusation to which the whole course of Parkes' conduct in bringing forward vague motions in favour of immigration in general, and in opposing any particular proposal for securing it, gave much support. Parliament declined to accept the Parkes resolutions, and no provision was made for immigration during 1871 and 1872, although a few assisted

immigrants arrived in fulfilment of contracts made by the English Commissioners.

VICTORIA

The determination arrived at, towards the close of the preceding period, to keep the control of immigration in the hands of the responsible officials of the colony was generally adhered to, the services of the Land and Emigration Commissioners being used only to obtain single women for domestic service. In July 1861 new regulations were gazetted for the conduct of assisted immigration, under which passage warrants were issued by the immigration officer in Melbourne, which entitled a shipowner, who carried an adult immigrant to Victoria, to claim the sum of £14 from the Treasury, any charge above that sum to be settled between the shipowner and the immigrant. It was provided that passage warrants were to be given to any colonist on the payment of sums varying according to the age and sex of the person to be assisted. For males under twelve years the price of a warrant was fixed at £3 : 10s., between twelve and forty years at £7, above forty years at £8. For warrants in favour of females the price was £2 : 10s. for persons under twelve years, £3 for those between twelve and forty, and £4 for those above forty years. To bring the system into operation Parliament voted £79,000, of which sum £14,000 was for the introduction of unmarried women, £59,000 for the expenses incurred under the passage warrant system, £4000 for the introduction from southern Europe of vine-dressers and other persons skilled in the manufacture of wine, oil, and certain other products, and the remaining £2000 for general expenses.

The system of passage warrants was very popular, and within two months of the opening of the office for their sale the whole number available was applied for, and many more could have been sold. In 1861 the State-assisted immigrants numbered 2682, of whom 1935 were females ;

in 1862 they numbered 4728—1710 males and 3018 females. In 1862 a Land Act was passed, which contained a provision setting aside one-fourth of the land revenue for the purpose of encouraging immigration. Under this Act about £120,000 became available for immigration purposes in 1863. In order further to encourage immigration the passage warrants were slightly reduced in price, and a sum of £5000 was specially voted for the help of Lancashire operatives who, in consequence of the cotton famine, might wish to emigrate. During 1862, 8622 State-aided immigrants reached Victoria; the single women were selected by the Land and Emigration Commissioners and carried to Melbourne in their ships, a few married persons and their families accompanying them in order that the young women might have the benefit of their protection during the voyage. The other immigrants travelled under passage warrants in the contract ships. This eagerness to promote immigration was due to the fact that during the last three months of 1861 about 9000 persons had left Victoria for the newly discovered goldfields of New Zealand and New South Wales, and for the whole year there was a net excess of emigration from Victoria, by land and sea, of about 11,500 persons. The outward movement of population was checked in 1862, but the departures continued to exceed the arrivals in spite of the considerable State-aided immigration.

At this time the cotton famine was causing much distress in England, not merely in the cotton districts but in other parts of the kingdom, and Ireland, for other reasons, was in a very depressed condition. Emigration was advocated in many quarters as the cure for this distress, and numerous societies were formed to promote emigration to the British colonies. Amongst these was the Victoria Emigrants' Assistance Society, which consisted of Victorians resident in England, with a few English sympathizers. The Society, not having the command of much money, busied itself mainly with providing intending emigrants with the necessary equipment, for many persons, who possessed

passage warrants, had not the means of providing themselves with proper clothing for the journey. This Society also administered the vote of £5000 which Victoria had granted to the cotton operatives, and selected the emigrants to benefit by it, who were then sent to the colony on the Commissioners' ships, to the number of about three hundred. The Colonial Emigration Society, which was established in London at the close of 1862, was not connected specially with Victoria; its object was to secure for one or other of the British colonies the immense stream of people then leaving the United Kingdom, principally for the United States of America. The Dublin Relief Committee, which was one of the bodies brought into being by Ireland's distress, was granted £1000 by the Government of Victoria, and about seventy persons chosen by this Committee were granted free passages. Another important society was the Manchester Emigration Aid Committee, which made a grant of £4 to every person in the cotton districts who obtained an assisted passage to Victoria. Millowners and others, largely interested in the cotton industry, viewed with great disfavour these attempts to promote the emigration of mill hands, as they recognized that the loss of skilled workers on any great scale would cripple the cotton trade, and they therefore gave no encouragement to the work of these societies, preferring to adopt other remedies against distress.

In February 1863 an Immigration Bill was introduced into the Victorian Parliament, appointing the means by which the funds, appropriated to immigration, under the Land Act were to be administered. It appointed an Agent-General for the colony in London, six Emigration Commissioners, and five agents, the latter to be resident in the chief ports of the United Kingdom. It also appointed an Immigration Commissioner in Melbourne to help the immigrants on their arrival. There was strong opposition to the Bill both inside and outside Parliament, as it was alleged that State-aided immigration brought about unfair competition with workers already in the colony, and that

there already existed in Victoria sufficient labour for the work to be done. This Bill did not become law, but one on very similar lines was passed some six months later, notwithstanding the opposition of the labour interest. Under this measure an Agent-General and six Emigration Agents were to be appointed, to whom the promotion of emigration to Victoria and the despatch of all emigrants assisted by colonial funds were entrusted. To carry the immigrants to Melbourne the Government entered into a contract with certain shipowners at the rate of £13 : 16 : 4 for each statute adult, that is for persons of twelve years of age and upwards. This contract put an end to the official connexion of the colony with the English Land and Emigration Commissioners. The task of selecting persons in England by the Agent-General was confined to single women for domestic service. These were to be despatched in parties of about fifty in each of the ships sent out, and it was expected that about a thousand domestics would be obtained yearly in this way; the rest of the immigrants were to be persons whose passage warrants had been bought for them in the colony, and who were therefore not selected, but nominated by relatives or friends. This change of plan for a time disarmed the growing opposition to State-aided immigration, because persons who were thus brought out by relatives and friends rarely appeared for hire in the open market, at least on their first arrival in the colony. It was thought also that the appointment of agents in England would lead to a great increase in the number of persons paying for their own passages, a form of immigration which met with approval on all hands, and which past experience had shown to be much more valuable than assisted immigration.

These arrangements were to have come into force on 1st January 1864, and to have followed the passing of an amending Lands Act, which was to have provided the funds necessary for the service; the Act was not passed as expected, and the Government was compelled again to turn to the English Emigration Commissioners to under-

take such part of the duties of the proposed agents as consisted in the selection and despatch of female domestic servants. This they agreed to do, and in the early months of 1864 the women so chosen were sent out on the contractors' ships, but the Commissioners objected strongly to the arrangements for the accommodation of immigrants on board these ships, and would have withdrawn their services had not a change been made. The shipowners were therefore compelled to fit out a certain number of ships in the same manner as those chartered by the Commissioners themselves, and place these ships at the disposal of the Commissioners for the conveyance of the unmarried women. The Commissioners continued to send out emigrants for the Victorian Government in this way until 1869.

Reference has been made to the allocation of one-fourth of the land revenue of the colony to immigration introduced into the Land Act of 1862. This provision was omitted from the amending Act passed in 1865, as it was thought more expedient to fix the sum, to be expended on immigration, by annual appropriation. The automatic provision of funds for immigration purposes was opposed by many persons, for it took no account of the labour market in Melbourne, whose condition, whether of prosperity or of depression, was in nowise indicated by the size of the land revenue. This was also the view of Parliament, and during 1865 accumulations amounting to £138,354, representing balances of appropriations under the repealed Lands Acts, were taken from the immigration fund and handed over to the general revenue of the colony.

During 1864, 6631 State-aided immigrants reached Victoria, and 5104 in the following year. This was not an important addition, but there was at all times an active if not a large section of the community which objected even to such an addition to the population at the public expense. In the course of the general election, which took place at the beginning of 1866, the matter of assisted immigration was given a large amount of attention, and its proposed

continuance was used as an argument for protection ; the theory put forward being that, as the State used public money to bring in labour, it was bound to protect the industries of the colony in order that this labour might have employment. It was, of course, to the immigration of men that exception was taken ; no one opposed the immigration of women.

In view of the diversity of public opinion in regard to immigration, the Government of the day made a compromise, and while affecting to favour immigration in principle they obtained from Parliament only a small sum for immigration purposes. Owing to insufficiency of funds only 741 single women were brought from England during 1867, and of these 475 only were chosen by the Commissioners ; the remaining 266 were taken out by Miss Rye. This lady had greatly interested herself in helping young women to emigrate to British colonies ; her first intention was to assist women of the middle class, but, finding the result much less successful than she had hoped, she gave her attention almost entirely to the emigration of young women for service.

Immigration to Victoria was suspended during the first half of 1868, as there was no money available, but during the latter half 2787 persons were despatched from England by the English Commissioners, and some 2500 in the first six months of 1869. The Commissioners ceased work for the Victorian Government on 1st June 1869, the business being taken over from them by Verdon, the Agent-General for the colony in London, who had arrived towards the end of the previous year.

Verdon began his work in the field of emigration with great enthusiasm ; he was especially anxious to help in the foundation and development of new industries by securing skilled vine-dressers, silk-growers, and oil-workers from the south of Europe, and soon after his arrival in London he placed himself in communication with the ambassadors of various foreign Powers with a view to obtaining the persons he required. But he speedily found

that there was no desire on the part of any of the countries, to which he addressed himself, to promote the interest of a possible rival in their industries, and the attempt to obtain skilled labour in this way was quite unfruitful. The field for recruiting emigrants in England was much more hopeful. The United Kingdom was once more in a state of great distress. Trade and employment had been affected very seriously by the commercial panic of 1866, and large numbers of persons were without employment. There was the keenest desire in official and private circles to help emigration as much as possible, and as Victoria was at that time being extensively advertised in England, it was natural that the hopes of those who looked upon emigration as the cure for the ills then affecting the working classes, and amongst these were many of their leaders, should be centred on that colony. The Victorian Agent-General was not, however, in a position to help them in any way, as under his instructions he could only select unmarried women for free passages, other assisted emigrants having to obtain passage warrants in Melbourne.

The difficulties in the way of English people without means who wished to emigrate were then, as now, very considerable. In 1869 two hundred men from Wigan joined together and subscribed to a common fund for the purpose of emigrating to Victoria. As they had no friends in the colony they transmitted the money for their first passage warrants through the *Argus* newspaper, and parties of five at a time went out as the money admitted. There was some discussion in Melbourne as to the policy of making it possible for the deposits for English emigrants to be paid in London, but the idea was not popular, as it was feared that if such a concession were made it would be used by the poor law authorities in order to get rid of pauper families.

On 1st March 1870 more liberal provisions as to immigration were gazetted in Melbourne. Free passages were to be granted, under certain conditions, not only to single women, but also to some agricultural labourers, small

farmers, and useful artisans of British, German, or Swiss nationality. Passage warrants were to be made procurable in the United Kingdom without the necessity of nomination by an inhabitant of Victoria. These regulations were gazetted by the Macpherson Government, but in the first place the date of their operation was postponed, and then, on a change of Government, they were withdrawn without actually coming into force. This change on the part of the new Government was due to an organized movement against free or assisted immigration of any kind; a movement which was quite unexpected, seeing that, in spite of the assistance given to persons nominated in the colony and the active campaign being carried on in England to induce persons able to pay their own passages to go to Victoria, the gain to the colony from immigration of all kinds was not more than 10,000 in each of the years 1869 and 1870, and the total of the four preceding years was barely 14,000.

In June 1870 meetings of the unemployed were held in Melbourne to protest against assisted immigration of any kind. The object of these meetings was not merely to influence the Government of Victoria, but to convince the British Government that it was useless to send persons to Victoria in search of work. A "Protection and Anti-State-Immigration League" was also formed, which held meetings in Melbourne and elsewhere. The speakers represented the objects of assisted immigration indifferently as obtaining cheap labour for the squatters, who were pictured as desiring a return to the days before the gold discoveries, and as procuring a large town population in order to advance the price of beef and mutton. In either case the squatters bore the odium. But the objection to the assisted immigration system was not confined to the unthinking portion of the community, as it was felt by many responsible persons that much of the money spent on immigration was wasted, seeing that the assisted immigrants very frequently left for neighbouring colonies after a very short stay in Victoria. It was considered

that so far as that colony was concerned the whole immigration business was labour in vain. This matter was discussed at an Intercolonial Conference in July 1870. It was suggested that it might be possible to devise a scheme common to all the Australian colonies, so that immigrants might choose the colony to which they really desired to go, uninfluenced by the varying cost. This plan of concerted action was not seriously entertained. The different colonies looked on immigration very differently at different times, and at that date South Australia was especially averse from any renewal of assisted immigration. It did not occur to the politicians of the various colonies that as they, each in turn, complained of their immigrants passing over to their neighbours, the arrangements were not really very unfair when a period of years was considered.

During 1870, 4395 persons were sent to Victoria, but only 358 were selected by the Agent-General. During 1871 the sum made available for immigration purposes was much reduced, and only 2406 persons were assisted from England, of whom hardly more than one hundred were chosen by the Agent-General. The parliamentary vote for immigration for 1872 was only £18,000; this amount was to be used exclusively in providing passage warrants, and was soon exhausted. This was the end of the movement for the introduction of assisted immigrants from the United Kingdom: the few who afterwards arrived were those whose passage warrants had been secured at an earlier period.

From 1862 to 1872 about 48,000 assisted immigrants arrived in Victoria, but the net addition to its population by immigration was less than this, as the census results and vital statistics showed only a net increase above the natural increase of the population of about 37,000 persons. This unexpected and surprising result, following the legislative and commercial activities of the Government and people of Victoria, lost none of its significance in the fiscal controversy of the ensuing period, especially as the lost population chiefly comprised males in the prime of life.

The colony of New Zealand was for some years the chief point of attraction for Victorians, and continued so until the outbreak of the Maori war in 1868 interrupted the outflow, which recommenced when the war terminated a few years later. Emigration to New Zealand usually meant a definite abandonment of Victoria, as few who crossed the seas returned to their old homes. Not so the emigration to the other Australian colonies. Very large numbers passed from one colony to another and back again in search of work or to better their position, but even of this migration the balance during the period was against Victoria. The goldfields of New South Wales carried off large numbers of Victorian miners in 1861, 1862, 1868, and 1872, and the development of the Riverina district was promoted very largely by settlers from across the Murray. Queensland also attracted many persons from Victoria, not only miners, who were naturally in the majority, but pastoralists and farmers anxious to participate, at an early stage, in the opportunities afforded to the enterprising in this new and rising colony.

QUEENSLAND

When Queensland was separated from New South Wales in 1859, the method of assisting immigration which was in force in the parent colony under the remittance regulations of 1857 was continued in the new colony. Under these regulations, persons resident in Queensland could obtain a passage for any one they chose to nominate by the payment of £4 for an adult and of half that sum for a child under twelve years. During 1859 two ships carrying 585 immigrants arrived at Brisbane, and 106 other immigrants were landed in Sydney and transhipped to the northern capital. The arrangements in regard to these immigrants were made by the Land and Emigration Commissioners, to whose work frequent reference has already been made.

The first Parliament of Queensland met in 1860 and

£5000 was voted for immigration purposes. Part of this sum was intended to meet charges in connexion with the introduction of remittance immigrants, and the remainder was to go towards the passages of domestics, farm labourers, shepherds, and others who were urgently required in the colony. The latter were to be selected by the Commissioners in England. This was merely a temporary measure, to enable immigration to be continued without interruption, until a comprehensive scheme could be prepared by the Government.

During 1860 a Land Act was passed, which amongst other things authorized the issue of a "land order" to any person coming from Europe, who arrived in the colony at his own expense, and to any person who paid for the passage of an immigrant. The regulations under the Act were published in November 1860, and it was provided that a land order was good, to the extent of £18, for the purchase of any Crown land available. It was also provided that any immigrant, whether he had paid his own passage or had been brought out at the expense of another, could, after a residence of two years, claim another land order of the value of £12. The regulations also contained a provision empowering the Government to import labourers for any employer, who would undertake to repay the cost of their passages; the employer on his part being authorized to reimburse himself for his expenditure, by deductions from the wages of the immigrants. It may be as well to say that this provision was rarely used, as persons who desired to import labourers could do so under the land order system with the certainty of recovering the money they had expended, whereas under the other system there was no such certainty. These regulations came into force in January 1861. It was intended that the land order system should be the principal means of obtaining population for the colony, but it was still permissible for residents to introduce friends under the remittance system, and as there were a considerable number of colonists of German origin in

Queensland, this privilege was extended to them; but immigrants of German nationality were charged a somewhat larger sum for their passage than British born. The benefits of the land order regulations were also extended to Europeans of every nation.

To secure the efficient working of the land order system, Jordan, a member of the Legislative Assembly, who had taken a leading part in its introduction, was sent to England as Immigration Agent, and Christopher Heussler, a German colonist, was sent to Germany. The object of the land order system was not to settle immigrants on the soil, but to obtain them at the least expenditure of public money, as the revenue of the colony was at the time very small. Jordan arrived in England about the middle of 1861, and at once realized that his position was one of very great difficulty. He was allowed £200 a year for office expenses, and, though he was expected to make known as widely as possible the advantages which Queensland had to offer to intending settlers, he was unable to advertise those advantages or pay agents to work for him. In these circumstances it was impossible that any large number of persons would be found to emigrate at their own expense, and, in order to accomplish the purpose of his coming, Jordan looked about him to find a shipping firm who would be willing to carry the immigrants without prepayment, looking for recompense to the land orders it would receive on landing them in Brisbane. There was at the time no regular service of ships between England and Queensland, and the shipowners trading to Melbourne or Sydney laughed at the proposal of their accepting payment otherwise than in cash. Jordan, though disappointed, did not despair, and ultimately succeeded in making an arrangement with Messrs. Baines, Mackay & Co. of the Black Ball Line to put on a regular service of fast ships to Queensland on condition that they had the exclusive right to carry immigrants to Brisbane under the land order system. Owing to these initial difficulties, only 402 immigrants under this system arrived in Queensland during 1861.

The Land and Emigration Commissioners, however, sent out 799 persons, most of whom were nominated under the remittance regulations. During the following year there was a great development of immigration. The Commissioners despatched 1908 persons, and under the land order system 5559 went to Queensland from the United Kingdom, and 623 from Germany. Jordan carried on the work of emigration with the greatest energy, and Baines, Mackay & Co., finding the business likely to be profitable, placed at his disposal their very extensive agency system, and he was also able to secure the services of a number of other agents willing to work for a small fee payable for each emigrant obtained by them. Jordan lectured a great deal in England, and to some extent in Scotland, and before long contrived to make Queensland as well known as any of the older Australian colonies. The fact that he could offer an absolutely free passage gave him a great advantage over others desirous of securing emigrants, and the attractive light in which he was able to place his colony enabled him to secure not only an abundant supply of the non-paying class, but large numbers of men with some little means: even small capitalists freely offered themselves for emigration. Jordan therefore determined to take advantage of these offers, and with Herbert's approval he introduced during 1862 a new class of assisted emigrants—those who were in a position to contribute something towards their passage-money. Thus he accepted for emigration artisans and others whom he would not accept for a full free passage. From these he obtained sums of £2, sometimes as much as £8, and the money thus obtained was used by him to pay his now greatly increased office and agency expenses and in meeting shipping charges that could not be paid by land orders. He therefore built up an elaborate system of immigration without having to call upon the Queensland Government to remit any money to meet his expenses. These part-paying immigrants did not receive land orders on their arrival in Brisbane, the orders being received by the shipping company

just as were those issued in respect of Jordan's other immigrants.

Besides these free and assisted immigrants a large number, perhaps as many as a hundred on each ship, of full-paying second and third class passengers went to Queensland, attracted by the glowing pictures which Jordan and his agents gave of the young colony. To all these land orders were given. At first the orders could be used for the purchase of land wherever situated, but since the ostensible object of issuing in these cases was to promote rural settlement, their use was presently limited to the purchase of country land. At first also any immigrant, however aged or infirm, was given a land order, provided of course he did not belong to the free or nominated class sent out by the Land and Emigration Commissioners; but a regulation was made in 1862 limiting the issue of orders to persons in good health, men not exceeding forty years and women not above thirty-five, and to members of their families.

In spite of the fact that the great majority of the immigrants, on whose account land orders had been issued, were without means, the Brisbane Government expressed its disappointment that very little agricultural settlement had resulted from the stream of newcomers. But apart from the question of means, it was not easy for an immigrant to obtain suitable and accessible land whereon to settle, and even those who had money and farm training were advised by the experienced officials of the Government not to attempt to establish themselves on the land, until they had become accustomed to colonial methods.

The issue of land orders by the Government was to avoid the direct cost of carrying immigrants to the colony, and there was from the beginning of the system a brisk trade in these orders. Almost as the immigrants landed, they were met by agents willing to buy their orders for cash, and the price dealers were willing to pay was a matter of daily advertisement. There was therefore every temptation for the immigrants to part with their orders as soon as they received them, and this they did in the great

majority of instances. The chief purchasers of the land orders were the squatters, who used them for the purpose of acquiring, under the pre-emptive rights attached to their leases, the most valuable portions of their runs, including, of course, the waterholes and frontages to the creeks. They were usually able to obtain an order of the nominal value of £18 for £15; sometimes the price was very much less.

In 1862 Herbert went to England, and, while he was there, closely followed the workings of the emigration system, both under the Imperial Emigration Commissioners and under Jordan's agency. He authorized the latter to make some alterations in carrying out his work, amongst others the acceptance of such sums as they could pay from intending emigrants not of the class to which free passages were restricted. He also adopted the suggestion that steerage immigrants should be required to sign a declaration that they would forgo the right, given by the regulations, to a second land order of £12 after two years' residence in the colony.

The rate at which land orders were being given and the use to which they were being put, a use which deprived the colony of a considerable cash revenue, raised doubts in Herbert's mind as to the wisdom of the whole scheme. He saw that though the Government was not actually called upon to disburse large sums of money for immigration purposes, each immigrant, brought out under the system, cost more than one obtained by the Land and Emigration Commissioners; this would not have greatly mattered if the right class of settler were being obtained, but this was far from being the case. One of his first acts after he returned to Queensland was to propose an alteration in the system, and he had in view a return to the old system of obtaining immigrants through the Commissioners. As a preliminary step a Select Committee of the Legislative Assembly was appointed to consider the operation and working of the Immigration Regulations. Some matters in the way of abuses were unearthed, but they were neither

numerous nor important. The chief discoveries of the committee were in regard to the working of the land order system, but these, even where they were abuses, were obviously the natural outcome of it. The regulations undoubtedly gave speculators an opportunity to introduce immigrants for purposes of their own, not only without cost to themselves but even at a profit. The committee had evidence of a shipper who collected at Glasgow a large number of persons, all of whom had paid about £8 towards their passage; they also gave an undertaking to transfer to him their land orders, so that he received the equivalent of £26 cash for carrying them to Queensland. The advantageous nature of such a transaction will be obvious, and it is certain that there were many like it.

The land order system offered philanthropic societies and Boards of Guardians an admirable opportunity of disposing of their dependents by despatching them to Queensland. These people, who were a helpless class, surrendered their land orders to their benefactors, who placed them on board the emigrant ship, leaving their future in the hands of Providence, as it was, humanly speaking, impossible for such persons to return to trouble the societies or the guardians any more. This description of emigration was not uncommon in England, and in 1862 a society was formed in Brisbane, called the Queensland Colonization Society, whose object was to use the immigration regulations to relieve the distress in Ireland, which at that time had become acute. The Irish Catholics in Queensland subscribed largely to the Society, and the money so obtained was sent to agents in Ireland to be employed by them in sending out as many Irish emigrants as possible. These people paid as much as they could afford towards the expense of their passage, and also agreed to transfer their land orders to the Society. The formation of the Society was due to the fact that, up to 1862, Jordan had made no attempt to obtain emigrants from Ireland. During 1862 only 262 immigrants reached Queensland from Ireland; in 1863, owing to the efforts of

the Colonization Society 3380 arrived. There were complaints, well grounded in some instances, that these immigrants were inferior to those obtained by Jordan. They came from districts smitten with famine and disease, and were chosen with a view to relieving necessity, rather than to providing the best possible citizens for Queensland. This fact, backed up by the rising tide of religious intolerance, led to intense local bitterness against the Society, and a determination that its operations must cease. Instructions were therefore issued that all steerage immigrants, who intended to claim land orders, should obtain land order warrants before they sailed, and Jordan was instructed not to issue such warrants, except to persons whose health, character, and occupation were such as would seem to make them desirable as colonists. This instruction put an end to the work of charitable societies and the practice of Boards of Guardians disposing of their undesirables on the shores of Queensland; it also put an end to the brisk trade, that had grown up amongst shippers, of carrying immigrants as a private venture.

The authorities in Brisbane professed to be surprised and disappointed that so little settlement should have followed the issue of so many land orders, and they now considered that the time had arrived when the traffic in these orders should cease, and there should be a sort of compulsion for the recipients of land orders to become settlers on the land. With this object it was ordered that cabin and intermediate passengers should be entitled to claim thirty acres of land on arrival, but the deed grants in respect of such land should be given after two years' residence; and that steerage passengers should receive orders of the nominal value of £18. These orders were made non-transferable "unless in pursuance of an arrangement made by the Government with persons providing passages for emigrants." This reservation was to meet the case of Jordan's selected emigrants, sent to Queensland by the Black Ball line, whose orders went to the shipmasters to pay for their passages. As a corollary to the amended

immigration regulations, the Lands Act was also amended, so as to make plots of land fit for agriculture in suitable areas more easily obtainable by the immigrants, who, no longer able to transfer the land orders to the squatters, would be compelled to settle on the land. It will be seen later on how little this pious expectation was fulfilled.

The changes took place towards the end of 1863. During the whole year 11,727 immigrants reached Queensland, of whom 10,182 were from England and 1545 from Germany. Of the English immigrants 1143 were sent out by the Land and Emigration Commissioners in their own ships; the remainder of the English immigrants, as well as all the Germans, went out under the land order system. The Land and Emigration Commissioners' immigrants were on the whole of an excellent type, and gave evidence of careful selection; not so the land order immigrants. Amongst the latter were large numbers of persons from the manufacturing towns of Lancashire, driven to emigrate by the cotton famine, whom the Queensland Government and private persons in the colony had assisted to emigrate. There were also a large number of others, whom a not over-rigid system of inspection would have rejected. It can hardly be wondered at, therefore, that there was considerable irritation in the colony at the class of people who were being introduced under the land order system. There was also much dissatisfaction at the provision made for their conveyance to the colony. The ships were frequently overcrowded, the medical surveillance was not good, and in health and morality Jordan's passengers compared unfavourably with those arriving by the Commissioners' ships; in these respects the German boats were much worse than those from England. Jordan admitted that there were defects, but he pointed out that the Commissioners had a task less difficult than his own: "They have a different class of passengers, who can be more fully controlled, they have a large staff of assistants, and they have the full power of the law to enforce their regulations." This was true. The policy of the Land

and Emigration Commissioners was to send emigrants by vessels over which they had full control, and on which only emigrants were carried. The captain navigated the ship, but the doctor, as delegate of the Commissioners, attended to the health and discipline of the passengers. The ships by which Jordan's emigrants were sent carried first, second, and third-class passengers as well as free steerage passengers, while the latter alone were amenable to the discipline of the superintendent representing the Queensland Government. Herbert himself was convinced that the system was bad, and determined to change it. In December 1863 he obtained from Parliament a vote of £100,000 for immigration purposes, and of this he assigned £20,000 to the Land and Emigration Commissioners to pay the passages of selected immigrants sent out in their ships. In January 1864 he wrote to Jordan: "I take this opportunity of informing you that the Government is at present desirous of curtailing and ultimately of bringing to a close the operation of the land order system for financial and other reasons." The prospect of seeing his organization completely swept away was very unpalatable to Jordan, who at once posted off his resignation, and, leaving his business in charge of a clerk, hastened back to Brisbane.

A further consideration of the question, and a comparison between the people arriving in the Commissioners' vessels and the land order immigrants, strengthened Herbert and his Cabinet in the determination to employ the Commissioners as much as possible. On 15th April a Cabinet minute was passed that "the advantages of conducting emigration through Her Majesty's Commissioners are in every way considerable," and they were only "diverted from accepting this course on account of expense," the necessity, that is, of actual cash expenditure; for, the minute continued, "doubtless the present system of land orders is a most expensive one." They thought a step might be taken toward discontinuing the system by giving notice that in two years it would terminate. But Herbert had failed to consider Jordan's strength and persistence, and

the support given to the system by the squatters and land speculators generally and indeed by all who looked to obtain cheap labour.

Jordan arrived in May and immediately procured the appointment of a Select Committee of the Legislative Assembly to consider the question of immigration. He appeared before the committee and gave voluminous evidence, which showed the enthusiasm with which he had conducted his work and his firm belief that the evils complained of could be removed. There was no one on the committee sufficiently interested to compare Jordan's enthusiasm and promises with the plain results of his system, to be seen from the class of persons then arriving, and the committee lost no time in reporting strongly in favour of land order immigration. It also drafted a Bill dealing with immigration, which embodied practically all Jordan's recommendations. This Bill was accepted by the Government, which, as we have seen, entirely disapproved of its principles, and became law in September 1864; whereupon Jordan returned triumphant to London, with the appointment of Agent for Immigration.

The regulations forbidding the transference of ordinary land orders had greatly affected their value; even those given to the Black Ball line, which could be transferred, were affected, and in order to keep the price fairly constant the Government undertook to reclaim orders issued to shipowners six months after issue if they were not then disposed of, for a sum not exceeding £15. The Government also agreed to advance to the owners of non-transferable orders £3 : 12s. on each order, retaining the land order as security for the advance, which order might be reclaimed at any time within two years by the payment of the advance, with the addition of £1 as consideration for the accommodation. The new Act provided for free, assisted, and nominated passages as well as for the issue of £30 land orders, £18 on arrival and £12 after two years to paying immigrants, as required under the regulations which it superseded. Although the policy of Parliament was thus

for the first time fixed by legislation, the Government was left a considerable amount of latitude, to develop or modify that policy by regulations under the Act.

In consenting to a continuance of the land order system of immigration, Herbert did not give up his predilection for the employment of the Land and Emigration Commissioners, whose orderly system and excellent work he greatly appreciated. His relations with Jordan, whose local influence had been too strong for him, were for this reason far from cordial; nevertheless the Agent for Immigration returned to England, resolved to carry on his work with renewed vigour, and to increase as much as possible the numbers of his immigrants, and to make up for the slackness of his deputy during his absence in Queensland, the total of all classes of immigrants sent out during 1864 having been 4040 only. The accident of circumstance had made Herbert Premier, but Jordan considered himself as the true representative of the needs and desires of the people of Queensland, in matters of immigration.

The demand for labour in Queensland at the beginning of 1865 was very great. The Government had entered upon an extensive policy of public works, and contracts had been made for the construction of railways, roads, bridges, and waterworks, far beyond the ability of the labour then in the colony to carry out in the appointed time. In January 1865 the Government instructed Jordan to send out as free emigrants all the navvies offered him by the agents of Peto, Brassey, and Betts, the railway contractors. These men, it is scarcely needful to say, did nothing to improve the character of the immigration, and before the year ended the arrival of an immigrant ship was invariably followed by such disgraceful scenes of fighting and drunkenness that the very name of immigrant became a reproach. In Brisbane the police could confine the outbreaks of ruffianism within certain limits, but in the northern ports at which immigrant ships discharged their passengers, they were frequently compelled to look

on until the brawling ceased, owing to the exhaustion of the participants.

Throughout 1865 and the first four months of the following year, immigrants arrived from Europe at the rate of from 1000 to 1100 a month. As there was a very inconsiderable settlement on the land these numbers were in excess of the absorbing capacity of the labour market, and even in 1865 there would have been a numerous body of unemployed, but for the steady migration to New South Wales, both by sea and borderwise. Early in 1866 there were complaints of want of employment, and in May a Land and Emigration League was formed, promoted by members of the working classes whose principal object was to stop assisted immigration. That there was some justification for their attitude may be surmised from the fact, that at the time the League was formed there were able-bodied immigrants at the depots, who had been awaiting employment for more than a month.

The situation seemed serious enough for the Government itself to take action, and instructions were sent to Jordan to restrict the number of non-paying emigrants, so that not more than 150 should arrive in Queensland during any month. On receiving these instructions Jordan again promptly resigned his post as Agent for Immigration. In August 1866 Queensland was in the throes of a severe financial crisis, and the Government decided that no more assisted or free passages should be given. Full-paying immigrants would still be given land orders, and remittance immigrants could still be sent for, but all advertisements setting forth the attractions of the colony as a field for emigration were withdrawn. In September the further step was taken of stopping all immigration whatever at the expense of the Government, and a letter of recall was sent to Jordan, whose resignation was already on its way to Brisbane. Thus ended the first phase of Queensland assisted immigration.

During 1866, 9538 assisted immigrants reached the colony. Of these 7381 came through Jordan's agency ;

1304 were Germans, mostly remittance immigrants, and 1157 persons despatched by the Imperial Commissioners in their own ships. The total number of assisted immigrants during the seven years 1860–1866 was 51,015, of whom 44,914 were from the United Kingdom and 6101 from Germany.

As we have seen, Queensland had begun to lose population to the Southern colonies in 1865; this loss was largely augmented in 1866 and continued during the first eight months of 1867. In September of the last-named year gold was discovered at Gympie, and the current of inter-colonial migration again set strongly northwards. In a few months over 5000 persons came to Queensland from Sydney and Melbourne, in excess of those who departed, but there was no European immigration. The gold discoveries withdrew large numbers of persons in Queensland from their ordinary occupations, and as the colony had recovered from the effects of the financial crisis, a Select Committee of the Assembly reported on 13th February 1868 that “measures should as soon as possible be taken for resuming a system of immigration, with such improvements as experience may have rendered desirable.” The improvement which the committee had in view was the securing of immigrants who would establish themselves on the land and not hang about the cities: and with this object it was particularly recommended that depots for receiving immigrants should be established in the interior of the colony. During the later months of 1868 Government immigration was renewed on a small scale, assisted passages being given to suitable married couples and free passages to single women; a few single men were also assisted, but the total of all classes was only 218. There was, however, a general agreement that to obtain the class of persons required by the colony, there should be an alteration in the process by which land could be obtained by immigrants. In furtherance of this view an amendment was made in the land law, and in the following year (1869) a new Immigration Act was passed which, while following

in the main the lines of the Act of 1864, differed from it in some particulars. The Act contemplated the introduction of four classes of immigrants :

Persons who paid their own passages, who were entitled to land grants of 40 acres for each adult, conditional on residence for three years on the land granted and the cultivation of at least one-tenth of its area.

Assisted immigrants who paid a portion of their passage-money. These persons were required to enter into an undertaking to repay the balance of their passage-money within a year of their arrival ; on their so doing they became entitled to land grants on the same terms as the first class. The payment required was £8 for an adult male, £6 for a married woman, and one-half these sums for children.

Immigrants nominated by friends or relatives in the colony, who paid a deposit for them in the same manner and of the same amount as under the remittance system.

Immigrants receiving free passages. These were required to give undertakings to repay their passage-money, estimated at £16 per adult, within two years of landing in the colony. Employers who desired to import labourers might do so without payment, but they were required to refund the passage-money paid in respect of such labourers within two years. In these cases the persons repaying the passage-money were entitled to receive land orders. Women servants were not required to repay any portion of the passage-money, whether they travelled as free or as assisted immigrants, but they were not eligible to receive land orders.

The regulations were made applicable to immigrants from other parts of Europe, as well as from the United Kingdom, and to ensure the proper working of the new system Douglas was sent to London as Agent for Immigration and Kirchner to Germany.

At the end of December 1869 Douglas received very clear instructions as to the way the Act was to be administered. It was estimated that the colony could absorb

6000 immigrants a year, and if this number could be obtained without giving free or assisted passages to others than farm labourers and female domestics, none were to be given: in any case the number of free, assisted, and indented immigrants in any year should not exceed one-fourth of the total of all classes. One-half of the immigrants were to be sent to Brisbane and the rest to be divided between the three northern ports, Maryborough, Rockhampton, and Bowen. The agent in Germany was instructed to send not more than 1500 immigrants a year. He was to secure paying immigrants if possible, otherwise he could send free or assisted, but his total expenditure was to be kept within a yearly sum of £18,000.

The new scheme of immigration proved in practice far from satisfactory. Other colonies were in the field with more attractive programmes than Queensland, and in order to obtain the class of immigrants required Douglas departed from his instructions and offered assisted passages for £4 each to persons who, if nominated, could only have obtained a passage for £8. As soon as the Government in Brisbane learnt this, it ordered him to adhere strictly to the charges named in the Act, and even went so far as to surcharge him with the short-paid amount due by the immigrants whom he had already sent out, and he was also ordered not to issue free passages except to domestics. Douglas remained in London a little over a year, when he was recalled. During 1870, 2726 immigrants reached Queensland; of these 2413 came from the United Kingdom and 313 from Germany. In the following year 3524 immigrants arrived, of whom 1637 came from the United Kingdom and 1887 from Germany: the great majority of the Germans were given free passages.

The authors of the Act were greatly disappointed with its results. The immigrants they sought turned their faces in other directions; those they obtained were neither in number nor in class equal to the requirements of the colony. The Government had calculated the cost of its scheme on the assumption that the free and assisted immi-

grants would hasten to repay the sums contributed towards their passages in order that they might obtain the promised land orders—a vain expectation which the experience of the other colonies ought to have saved it from indulging in. Some money was repaid by the employers of indentured labourers, but the immigrants themselves felt under no obligation to repay anything. On 9th November 1871 the Premier said “the Government had not got from the immigrants £10 of the money expended on their passages, although they had tried hard to get hold of them and to make them refund it.” This second experiment in immigration had therefore proved far more expensive than was anticipated. This expense might have been borne with equanimity, if there had been any settlement on the land, but such was not the case, as not one immigrant in a hundred applied for a land order. Even men brought up on the land in England or Germany found the orders worthless, as they were unable to comply with the conditions of residence and cultivation which alone would entitle them to land grants.

In introducing a new Immigration Bill in July 1872, Palmer said that land orders had only been issued for 5600 acres to remittance and assisted immigrants, while the amount which ought to be issued if the undertakings given were fulfilled was 148,766 acres, and that even of those issued not one-fifth had been taken up. “Everybody,” said he, “knew well that these land orders were worth nothing to the people who got them . . . owing to the requirements of residence and improvement.”

Douglas's place in England was taken by Archer, a gentleman identified with the party in North Queensland agitating for separation. He did not remain long, as he was anxious to get back to the colony to promote the interests of his party. He was followed by Daintree early in 1872, who was called upon to administer the new legislation of the Palmer Government, to which reference has already been made. This Act, which came into force on 1st September 1872, proceeded upon lines essentially

different from previous legislation, so far as the land orders were concerned. The orders were valued at £20, and were transferable, but were not claimable until immigrants had resided in Queensland for one year. The land orders were to be given to persons who paid their own passages to the colony, and whose suitability as settlers had been vouched for by the Agent-General before they left England. The Agent-General was authorized to grant assisted passages to farmers, shepherds, farm labourers, vine-dressers, general labourers and mechanics, to members of their families, and to domestic servants at the following rates :

Age of Emigrant.	Males.	Females.
From 1 to 12 years . . .	£2	£1
From 12 to 40 years . . .	4	2
Over 40 years . . .	6	6

Such immigrants were still required to give undertakings to pay the balance of the passage-money within a year of their arrival, but they then became at once entitled to a transferable land order for £20. Persons resident in Queensland could nominate friends or relatives for passage to the colony, by paying for them at the following rates :

Age of Emigrant.	Males.	Females.
1 to 12 years . . .	£1	£1
12 to 40 years . . .	2	1
Over 40 years . . .	4	4

The nominators were required to give undertakings to pay the balance of the passage-money if the immigrants nominated did not do so, and land orders were claimable by the parties who paid. Employers could also obtain indented labourers by a payment of £6 per statute adult, giving at the same time an undertaking to pay the balance of the passage-money ; on their part labourers so indented were required to sign contracts to serve their employers for twelve months at a specified rate of wages. Land orders were given to employers in respect of all indented labourers whose passages they paid. The Agent-General was also empowered to grant free passages to female

domestic servants and farm labourers, without any obligation to repay the cost of their passages. These were not entitled to receive any land orders.

In spite of the elaborate provisions of this Act, the only labour at the time in demand in Queensland was that of female domestics and farm labourers. Domestics suitable for the colony were by no means easy to obtain, while the peculiar position of the agricultural labourer is worth a passing reference. In England in 1872 and the years which immediately followed, the agricultural labourers were in open revolt against the conditions under which they lived. Led by Joseph Arch, they formed the National Agricultural Labourers' Union, and while the main object was to secure better conditions *in* England, Arch considered that an extensive emigration of agricultural labourers was one of the best means of compassing this end. In October 1872 at a meeting of the Union held at Leamington, it was resolved to found a colony in Queensland, upon which 10,000 farm labourers were to be settled. This was an impracticable scheme, for even if the Queensland Government had been prepared to make the necessary grant of land and to allow what would have been an *imperium in imperio*, it was not prepared to meet the large incidental expenses of carrying out the proposal, which it was by no means sanguine would be beneficial to the colony. Nevertheless, the idea of migration to Queensland remained in the minds of the leaders of the movement, and in July 1873 the Premier of the colony presented to the Legislative Assembly a petition from Arch, pointing out the impoverished state of the English agricultural labourers, and asking the Queensland Government to give as much help towards their emigration as possible. In the meantime Daintree had offered to provide a special vessel to convey to Queensland, free of cost, all the single men who desired to go there, and, as it was likely that most of them were without means, to provide the necessary ship's kits for all who required them. Arch submitted this offer to the Union, but not one of the labourers concerned was willing to go—

to such a condition of hopeless and stupid misery had they been reduced. However, one of Arch's fellow-workers, Edward Richardson, volunteered to go out himself with a shipload of the men, and under his leadership 300 found courage to sail for Queensland. Other parties soon followed.

During 1872, 2371 immigrants arrived in Queensland from the United Kingdom, of whom 1247 received free passages; from the continent of Europe came 1821, the greater number of whom were Germans, the remainder being chiefly Danes and Scandinavians. For a time there was a difficulty in securing German immigrants, as the Prussian Government refused to allow the agents of the Queensland Government to carry on their recruiting. Towards the end of 1872 the matter was settled, for the time being, by the agents giving an undertaking that the emigrants would not be required to enter into agreements to repay money advanced to them.

Early in 1872 the Agent-General was instructed to stop accepting emigrants from Germany, but this could not be done suddenly, as there were many nominations, yet to be completed, and engagements in regard to other persons that could not be broken. The official reason assigned for putting a stop to German immigration was the fact that the ships carrying these people frequently arrived in a most insanitary condition, and the food was often bad and insufficient. The statement in regard to the ships was quite correct; at the same time it must be confessed that the prohibition by the Prussian Government of the practice of indenturing had made the Germans less desirable colonists in the eyes of the employers than they had been before the prohibition. To take the place of the Germans a scheme for introducing Italians was put before the Government and adopted by it, and Daintree was instructed to send out Piedmontese, shipping them from Genoa; but the business was difficult to arrange, and these instructions were countermanded before any steps were actually taken to carry them out.

SOUTH AUSTRALIA

In October 1862 State-aided immigration to South Australia was resumed, after a suspension of operations of about twenty months. The copper-mines had once more renewed their activity, and were in a position to employ many more hands. This indeed was the ostensible cause of the renewal of immigration; but miners and their families were not the only persons to be assisted, in fact they formed a small minority, and the work of obtaining immigrants proceeded on just the same lines as before its cessation at the end of 1860. At the beginning the immigrants were drawn only from the United Kingdom, and were the usual two classes—the selected and the nominated. The selected were chosen by the agent of the South Australian Government in England and sent out at the expense of the Government in ships chartered by the Imperial Land and Emigration Commissioners. The privilege of nomination was given to any person resident in the Province, on the payment of £4 for each male adult nominated and £3 for each female, one-half of these sums being required for children under fourteen years of age. The nominees were subject to the approval of the agent in London, and, this being obtained, they were given free passages in the same ships as the selected immigrants. Both classes were required to sign an undertaking not to leave South Australia within two years of their arrival, the penalty for disregarding this undertaking being £20. The further privilege was given to any one resident in South Australia, who introduced an eligible immigrant at his own charge, of having credit to the extent of the cost thereof, in any purchase of land that he might thereafter make. Persons introduced in this way were also required to reside for two years in the Province, and the cost of their introduction was not to be more than that of the ordinary Government immigrants.

In 1862 was passed what was known as “Sutherland’s Act,” which assigned one-third of the land revenue in each

year to the purposes of immigration. The Act did not require the money to be spent upon immigration within any definite period, and the amount available for expenditure in any year was still dependent upon an appropriation of Parliament, but any part of the "immigration third" not expended was to be available for purposes of immigration in a future year.

Little time was lost in putting the machinery for immigration in motion, and during the last three months of 1862 two ships arrived bringing 611 persons; and in 1863, when the system was at work the whole year, 1499 State-aided immigrants arrived in South Australia, about half of whom were nominated. Very strict instructions were sent to the agent in London concerning the persons who were to be accepted; the nominated persons were to receive his special attention, and he was to reject those who appeared to him to be unlikely to make good colonists. There was, however, much make-believe about this instruction. To have enforced it very strictly would have made the administration most unpopular in South Australia, and, as this was above all things to be avoided, it need hardly be said that to incur rejection a would-be immigrant had to be very ineligible indeed. Instruction was also given that the nationalities of the immigrants should be proportioned to the populations of England, Scotland, and Ireland: this aimed at putting a check on the influx of Irish immigrants, as the Irish in the Province were more inclined to nominate their friends and relatives for passages than were the English or Scotch. This regulation was somewhat strictly enforced, and there was no great increase of the Irish element in South Australia, during any part of the period.

The nominated immigrants gave little trouble to the officials in Adelaide, and as their passage to Australia cost the Province less than that of selected immigrants, it was not unnatural that the agent in London should be instructed to fill the ships, as far as he was able to do so, with nominated persons, accepting selected immigrants to

the extent of the space not required by the other class. The employers, who were the chief supporters of the policy of assisted immigration, complained very much that the convenience of the officials was allowed to overrule the general welfare, as nominated immigrants were of little use in the open labour market. These, having friends in the Province, to whom they went as soon as they reached Adelaide, were under no necessity to take the first work offering, and it was only persons who would take immediate employment that the employers desired to see introduced. To these representations attention had to be paid, and the rule, in regard to the class of people to be carried, was so far relaxed that the agent was instructed to arrange that one-fifth of the passengers in every ship should be selected immigrants. This alteration was made at the close of the year 1864.

The agreement that an assisted immigrant should remain in the Province for two years was at first insisted upon in every case. Some of the immigrants left South Australia soon after their arrival, and some few were arrested in an attempt to do so. When these latter were brought before a magistrate they were usually sent to prison, being unwilling or unable to pay the penalty imposed. Proceedings of the kind produced a very bad impression in England and hindered the enrolment of suitable persons, and as the agreement itself was found not to effect the purpose intended it was eventually abandoned.

The arrangement under which a person might bring out immigrants at his own charge and be given credit, to the amount of their passage money, in any purchase of land that he might make, proved to be practically inoperative. The land-credit was of no value to employers of labour, and of little advantage to persons seeking to establish themselves on the land. To meet the views of the employers, the Government gave its approval to a regulation, under which any person was allowed to pay the nomination fee of £4 per person, and send to the emigration

agent in England a statement of the class of servants he required. The agent was empowered to engage such servants and enter into contracts, binding them to accept service with the nominating employer for six months at the current rate of wages, and the employers were authorized to deduct the nomination fees from the wages paid. Under this arrangement the proprietors of the Wallaroo and Moonta mines sent to London nominations for 12 smelters and 100 miners, and these men arrived in due course. The rapid expansion of agriculture in the Province set up a large demand for farm labour of all kinds, and in November 1864 the most urgent requests were sent by the Government to the agent in London, that ploughmen and agricultural labourers should be selected and sent out. One ship a month had been despatched to Port Adelaide during 1864, but the demand for labour seemed to the Government so pressing that it issued instructions that two ships a month should be sent in future.

The arrangements for securing work for immigrants on their arrival and for their despatch to their destination were more or less unsatisfactory, and it was a great convenience to all parties that an immigrant might remain on shipboard, for a period of fourteen days after arrival, while he looked for employment. About the middle of 1865 these "lay days" were reduced to seven. The time chosen for making the change was unfortunate. The country was threatened with drought and the farmers could not work their land. At the same time the number of immigrants arriving had greatly increased, so that it became impossible for the newcomers to obtain employment before they had to leave the ship. There were no immigrant depots to which they could be sent, and the Government arranged for their temporary accommodation at an hotel. The arrangement was a very bad one, and numbers of the immigrants remained for weeks without obtaining employment. Things grew worse after the harvest, and by April 1866 it had become apparent that there was an excess of labour in Adelaide, especially of unskilled labour. The

subject of unemployment was debated in Parliament several times; and public meetings, some of which were very numerous attended, were held in Adelaide, protesting against the continued expenditure of public money on immigration, in view of the fact that the immigrants then arriving could find no employment. A memorial on the subject was made to the Governor, and various petitions from communities in different parts of the Province were presented to Parliament. Amongst these was one from the inhabitants of Yorke's Peninsula, asking that assisted immigration should be suspended for twelve months, and that the sum of £25,000, which had been placed on the estimates for immigration in the coming year, should, notwithstanding the provisions of Sutherland's Act, be devoted to public works. In November 1866 it was decided by the Government to stop immigration until conditions grew better, but it was expected that operations could be resumed in time for the harvest of 1867.

Only one immigrant ship was sent out in 1867, carrying people for whose conveyance to South Australia the Government stood committed. As the year advanced labour conditions grew worse, and in August 1867 the Governor reported that "the effects of the last monetary crisis are disappearing somewhat tardily, and have deranged the operations of the money market to such an extent as to have induced my Government to discontinue immigration for some months past; with the intention, however, of resuming it again when the circumstances of the colony justify it."

During the five years 1862 to 1867, 13,622 persons came to South Australia, wholly or partly at the expense of the Government, and 92 arrived in 1869, by private vessels, who had been nominated in 1867. The governing authorities of the Province were still very favourable to immigration, and in 1869 the sum of £30,000 was voted for its encouragement, but during the whole of that year the country suffered so severely from drought as to make the revival of immigration inadvisable, and no part of the

voted sum was expended. Assisted immigration remained in abeyance for nearly six years, not being revived until 1873.

Reference has been made to the inquiry addressed by the British Government to the Governors of the different Colonies as to the prospects of promoting British emigration. To the inquiry addressed to South Australia, the Governor replied that "the chief industries of the colony have been somewhat depressed by the recurrence of bad seasons in quick succession, and the Government and Parliament have thought it unwise to add artificially to the labouring class." The Northern Territory, he added, had begun to be opened up for settlement, but it was considered to be "entirely unsuited to the general outdoor labour of Europeans."

During the years in which immigration was suspended, various attempts were made to rescind Sutherland's Act, under which one-third of the land revenue was set aside for immigration purposes, but no success attended these efforts until 1872, when Parliament agreed to its repeal. Meanwhile a considerable balance stood in the books of the Treasury to the credit of the immigration fund, but as there was a shortage of revenue this money was "borrowed" and used for other purposes, and, with the repeal of Sutherland's Act, it lapsed to the general revenue.

During the years 1867-1872, when State-aided immigration was suspended, there was a constant though small excess of emigration over immigration. The statistical returns of the period indicate a loss of about 4100 persons, but the economic loss to the Province was much greater than the mere figures would imply. The emigrants were mostly men of some small substance belonging to the farming class, attracted to Victoria and New South Wales by the hope of obtaining good land on easy terms, and their going was a serious loss to the Province.

In 1872 there was a revival of prosperity throughout the Province and a very keen demand for labour; immigration at the public expense was immediately asked

for by farmers and other employers of labour. The Government lost no time in acceding to this request, and passed through Parliament a Bill for the appointment of an immigration agent in England, empowered to give approved persons, going to South Australia at their own expense, warrants of £20 per adult and £10 for each child between the ages of one and twelve years. These warrants entitled their holder to use them in payment for land purchased from the Government. The immigration agent was also authorized to select persons in the United Kingdom for assisted passages, and residents of South Australia were allowed to nominate persons for such passages on the payment of sums varying between £3 and £8 according to the sex and age of the person nominated; any one thus assisted who paid the balance of his passage-money to the Government during the first year of his residence in the Province, became entitled to a land order, in the same way as one who had arrived in the Province at his own charge. Any person or association that introduced an immigrant from Europe, without expense to the Province, was also entitled to receive, after the immigrant had resided two years in South Australia, a land order of the nominal value of £16.

The demand for labour was so great when the Immigration Act was passed that there was very little opposition offered to it. A few public meetings were held at Adelaide and elsewhere to discuss the question of the revival of immigration, and a few irreconcilable antagonists, who objected to assisted immigration in any form, placarded Adelaide with bills headed "Immigration and Starvation Again," but no serious support was given them, and, as a rule, the old opponents of immigration were content to demand that no *free* passages should be given. The Immigration Act was passed at the close of 1872, and the regulations under it were issued in Adelaide in the middle of December. It was then too late to bring out any labour for the harvest season of 1872-1873.

WESTERN AUSTRALIA

In 1863 the Imperial Government was still sending out, at its own cost, a few free immigrants to Western Australia as well as batches of convicts, but, so far as the official records show, the number of such immigrants did not exceed 200 in any year. There was also some little movement of population between the eastern colonies and the west, but Western Australia gained nothing from this, as the outward flow was nearly always in excess of the inward. The year 1865 is typical of the period. In that year the total number of arrivals from all quarters was 1268; of these 559 were convicts, 136 free Imperial immigrants, and almost all the remainder, 573, came from other parts of Australia. In the same year 836 persons left the colony, so that the loss of free persons considerably exceeded the gain. The immigrants introduced by the Imperial Government met with little favour and were commonly reputed in the colony to be little better than the convicts. Most of them had been removed from districts in England or Scotland, where they were a charge on the poor rates or likely to become so, and were spiritless and without energy. Of a different quality were 50 young women from Lancashire, who had formerly been weavers and had been thrown out of work owing to the cotton famine. In spite of their previous occupation, these women took readily to their new life and became useful colonists.

The privilege of nominating suitable persons in England, to be carried to Western Australia at the expense of the British Government, was given to colonists in 1867, and some immigrants of good class were obtained in this way; but the privilege came to an end after 1868, when the Government decided not to allow any more emigrants to be carried at the Imperial expense. This was a cause of great discontent in the colony, as an agreement was made with the British Government, when Western Australia consented to receive convicts, that for every convict sent there should be a free emigrant sent also. Correspondence

on the subject was carried on during 1869 and 1870, the Colonial Office contending that "it has already been laid down, as a condition of that continuation, that the immigration should be wanted and such as the Colony can provide for; but it is clear from the census returns that the large majority of those persons who reach Western Australia do not remain in it. There is therefore the strongest *prima facie* evidence that such immigration is not wanted." In vain did Weld point out that, tried by any other test, good labour was wanted badly; the Home Government would do nothing, and in February 1870 Granville said in a despatch: "I should see with pleasure any arrangement by which the colonial resources were made available to procure from England the labour which is said to be required." During the ten years ended in 1869 there were 10,521 arrivals in the colony and 6286 departures, and as the former contained a large number of convicts the loss of free persons was very considerable. During 1869-71 Western Australia was practically without any immigration, and as additional population was required to keep the colony from stagnation, the Representative Council drew up regulations for assisting immigration. Under these regulations, which were issued in 1872, residents in the colony by paying £4 obtained the privilege of nominating a person in England to be brought out at the public expense. The control of this class of immigration was placed with the Colonial Secretary, who, in accepting applications for nominations, gave preference to able-bodied persons between 18 and 35 years of age, whose occupations indicated that they were likely to make good colonists. The Government required the assisted immigrant to repay one-fourth of the cost of his passage to the colony, and if he failed to do so it looked to his nominator for payment. Persons who came to Western Australia at their own charge and whose families had not received assistance to immigrate, and who, within six months of their arrival in the colony, selected for purchase land set apart for special occupation, were entitled

to have the cost of their passage, estimated at £15 per adult, remitted, when they had held such land for three years.

The condition of Western Australia at this time was not calculated to make such a scheme attractive ; indeed it was difficult to get persons to go to the colony, even where the whole cost of their passage was paid for them, as the English Emigration Commissioners found when they tried to get domestic servants to go out at the public expense, and it was evident that if the colony wished to secure population a much bolder and broader scheme would have to be adopted. This the Government itself recognized, but its revenue was small and unprogressive, and no great sum could be spared for immigration.

TASMANIA

During the whole of this period Tasmania was in a very depressed condition, and there was a constant, albeit small, loss of population, chiefly to New Zealand and Victoria. From 1863 to 1870, as the census figures show, the net loss by emigration was about 2000 persons. It would have been much greater undoubtedly, but for the depression in the mainland colonies. As in the gold period, the most serious feature of the emigration was that the persons who left the island were the young and able-bodied, while the elders remained behind.

The number of persons coming from abroad to settle in the colony was exceedingly small. Some attempts to attract settlers were made by the Government. Assisted immigration was revived under the bounty regulations of November 1861, and bounty tickets could be purchased at the rate of £10 for an unmarried male 12 years of age or over, and £5 for an unmarried female ; for £15 a family ticket could be obtained entitling a man, his wife and all their children under twelve years of age, to passages to the colony. The charge made by the shipping companies for carrying an immigrant to Tasmania was £15, and a

loan was raised, in order to pay the difference between this charge and what was paid by the immigrants. The bounty tickets were at first obtainable only in Tasmania, and until 1868 only by persons who had themselves been Government immigrants, so that the system was not designed to encourage persons unconnected with the island to emigrate thither. No great advantage was taken of the facilities thus afforded to Tasmanian residents to bring their friends to the colony, and it became customary early in the period for the Immigration Board to send tickets for sale to colonization societies in the United Kingdom and also to allow colonists occupying a responsible position, who were visiting Europe, to have a limited number for judicious distribution. These methods were without practical result. Tasmania was not popular with emigrants, and a large proportion of the bounty tickets thus distributed were returned unused. During the ten years, 1862 to 1872, the total number of bounty immigrants, including children, was only 1123, which works out at an average of 115 a year, the totals ranging between 9 in 1871 and 342 in 1870.

Small as was the number of assisted immigrants, it was generally believed that a considerable proportion of them left Tasmania very soon after their arrival, and, largely on this account, a select committee, appointed in 1864, reported against the raising of any further money by loan for immigration purposes. Instead of a money grant towards an immigrant's passage, the committee recommended the grant of small locations to immigrants who had paid for their own passage to the colony. In July 1865 another select committee made a similar recommendation, which was given effect to by an Immigration Act passed in 1867. By this Act the Board of Immigration was empowered to appoint agents in Europe to disseminate information and arrange for the passage of intending immigrants. The agent in the United Kingdom was authorized to issue land order warrants to suitable persons proceeding direct from the United Kingdom to Tasmania

at their own expense as third-class passengers. The value of these warrants was fixed at £18 for each adult and £9 for each child between one and fifteen years of age. On arrival in Tasmania an immigrant could exchange his warrants for orders which could be used in the purchase of Crown land. An immigrant from any part of Europe or India, who came to the colony as an intermediate or first-class passenger, was entitled to claim an order for 30 acres of land for himself, 20 acres for his wife, and 10 acres for each member of his family who accompanied him. The actual grants of land were not to be issued until the immigrants had resided five years in Tasmania.

This Act was passed with the most lukewarm anticipations of success. Some attempt was made during 1868 to find an emigration agent for the United Kingdom: but the salary of £250, which was offered, was inadequate to attract the kind of agent the Government required and no appointment was made. In 1870 the Board of Immigration entered into an arrangement with the Emigrants' and Colonists' Aid Corporation in London to act as its agents, but the Corporation failed to obtain any immigrants. Much had been hoped from the dissemination of information about Tasmania amongst Anglo-Indian officers nearing the end of their service, and a special pamphlet was written to draw their attention to the advantages that were offered to them: in this way a few officers were attracted to the colony. From the time the Act came into force in 1867 until the close of the year 1872, the whole area of land selected in exchange for land orders, given to all classes of immigrants, was only about 1500 acres.

The very poor result of its attempt to induce British emigrants to go to Tasmania led the Board of Immigration to turn its attention to Germany, and Buck was appointed emigration agent in that country. The idea of getting small farmers from Germany to settle in the colony was favoured by the Immigration Committees of 1864 and 1865, and when Buck left for Germany there were great hopes of his being able to obtain useful colonists.

But he soon found that there was little likelihood of success, so long as he sought only for emigrants who would pay for their own passage as contemplated by the Act of 1867. Buck therefore fell back on the bounty regulations and obtained enough emigrants in this way to despatch two ships from Hamburg in 1870. The first ship arrived on 21st August of that year with 187 persons: 59 men, most of whom were agricultural labourers, 55 women and 73 children. The unmarried women found employment readily as domestic servants, at wages varying from £18 to £20 per annum, and there was little difficulty in placing the unmarried men whether artisans or agricultural labourers, but married persons and young children remained at the receiving depot, and a month later there were still 70 being supported by the Government. This trial convinced the authorities how small was the real demand for labour in the colony, and orders were at once sent to Buck to refrain from sending out any more emigrants. Before these orders could reach him a second party, comprising 137 persons, 45 men, 34 women, and 58 children, had sailed. The arrival of these people in November 1870 was the signal for an outburst of indignation throughout the colony, which grew louder when it was found that, small as were their numbers, there was great difficulty in finding employment for the immigrants.

When Buck attempted to carry out his instructions for the discontinuance of the German agency, he found that this could not be done immediately, as the Prussian law required that where an agent had made preliminary arrangements with any person for his emigration, such agent was required to complete his contract. Buck found himself responsible for 182 bounty immigrants, 17 passengers holding land-order warrants, and 3 intermediate passengers who were entitled to land certificates. These people reached Hobart in March 1872, when there chanced to be little difficulty in their obtaining employment, and public opinion would perhaps have sanctioned the further continuance of German immigration had it been again proposed.

III

RECRUDESCENCE OF BUSHRANGING

THE renewal of bushranging formed a very serious feature of the early years of this period, especially in New South Wales and in the districts of Queensland and Victoria which adjoin that colony. This outbreak was due partly to the remnant of the convict class which still remained, and partly also to an element of population drawn to the colonies by the gold discoveries. A large proportion of the men who came to the country at the time of the gold rush were of fine physical type and in the prime of manhood. The adventurous spirit that carried them over the seas did not desert them in their new homes, when, giving up the quest for gold, they tempted fortune in other directions, and many of the pastoralist farmers, merchants, and professional men whose careers were most successful, during the two decades following the gold discoveries, had commenced work in Australia as diggers. Besides these excellent colonists there were a large number of undesirables, persons who were already criminals when they left their Motherland, and others who inclined to crime as soon as they found themselves in the unsettled conditions then prevailing throughout Australia. It was from this class that the bushrangers and their numerous sympathizers were largely drawn.

The Land Act of 1861 was also not without its effect in making lawlessness more difficult to repress. The scattered settlement, which the Act encouraged, gave the highwaymen of the bush great opportunities of concealment, and in

some cases their headquarters were spots which had been acquired for the purpose under the provisions of the Act. In many cases the free selectors were in league with the bushrangers, their ostensible occupation of sheep or cattle-raising being merely adopted to conceal their real occupation of spying on the police, and communicating their movements to the outlaws. In New South Wales the Government felt called upon to take special measures to cope with the evil. Notice was sent to the country magistrates, instructing them that all offences connected with bushranging would thereafter be tried by a Special Commission, and rewards were offered for the apprehension of the leading outlaws. The police force was also strengthened, and suspected persons were kept under observation. The trial by a Special Commission prevented sympathizers obtaining a position on the jury by which the captured bushrangers would be tried, and was a necessary step, as to obtain a conviction by a local jury would in some districts have been impossible. Amongst the first cases tried were those of Alexander and Charles Ross and William O'Connor, who were found guilty of robbery under arms, and firing at and wounding a settler. The three were sentenced to death. A few days later a public-house kept by a man named Cirkel was "stuck up" by four bushrangers. The landlord was deliberately murdered by one of the gang, named O'Meally, because he was suspected of having given the police information in regard to the movements of the bushrangers. This gang was one of the most infamous that ever infested the bush. The four concerned in Cirkel's robbery and murder were Frank Gardiner, Johnnie Gilbert, John Dunn, and the ruffian O'Meally. Gardiner, the leader of the gang, was a man about thirty years of age, and had been sentenced, when a mere youth, to five years' imprisonment for horse-stealing in Victoria. He was confined in Pentridge, from which he escaped after serving only a few months of his sentence. Coming to New South Wales he speedily got into trouble, being convicted on two separate charges of

horse-stealing, and sentenced to seven years' hard labour. He was released before the expiry of his sentence on a ticket-of-leave, which he forfeited for being absent from his district, and it was strongly suspected that he was engaged in cattle-stealing. He was not arrested, and appeared shortly afterwards at the head of a gang of scoundrels whose violence terrorized the inhabitants of a large and thriving district. The robberies of Gardiner's gang were very numerous. They were known to have "bailed up" six mail-coaches, from which they obtained large booty, while the robbery of scores of travellers on the public highway is also laid to their charge. Johnnie Gilbert, one of Gardiner's gang, was in years a mere boy. Born of respectable parents, he took to bushranging, not from criminal instinct, but because, like hundreds of the bush lads, he looked upon the bushranger as a hero of romance. Besides the three concerned with Gardiner in the shooting of Cirkel, there were several other members of the gang, viz. Ben Hall, John Bow, John Piesley, Alexander Fordyce, Henry Manns, and Daniel Charters. Piesley was caught after a short career, tried, and executed for murder in 1862, and Charters turned informer. There was a great deal of spurious public sympathy with Hall, who was an undoubted ruffian. He was originally a small squatter in the Lachlan district, but for years he was suspected of being an accomplice of Gardiner, with whom he was known to be on friendly terms. The constant surveillance of the police, joined with the reported infidelity of his wife, made him desperate; he openly joined the gang, and became the most daring and reckless of them all.

The most remarkable robbery by this gang was that of the gold escort from the Lachlan, which took place at Eugowra on 15th June 1862. The coach was escorted by three police. The bushrangers concerned in the affray were eight in number; they lay in wait for the escort at a difficult point in the road, and as the coach drove up they fired a volley, then, making a rush, they were able

to disarm the police and make them prisoners. During the encounter one of the police was severely wounded. The booty obtained by the bushrangers was over 5500 ounces of gold, valued at £21,000, besides coin and bank-notes to the value of £7490. This was divided into eight parts, five were allotted at once, the other three parts were placed on a packhorse, and the gang rode off. When news of the outrage reached the police, a well-equipped party started in pursuit, and, the packhorses of the bushrangers becoming exhausted at the foot of the Weddin Mountains, the police were able to come up before the gang were able to remove their plunder. The spoil recovered at that time amounted to 1239 ounces, and 200 ounces were subsequently obtained on the person of Manns, who was shortly after arrested. Besides Manns, three others, Fordyce, Bow, and John McGuire, were also captured, and the four men were tried by a Special Commission. Their trial afforded a striking instance of the difficulty in obtaining the conviction of undoubtedly guilty persons, where their crime was bush-ranging, horse or cattle stealing. After three days' trial the jury failed to agree; they were consequently discharged and a new jury empanelled, and Manns, Fordyce, and Bow were found guilty and sentenced to death. Fordyce's sentence was commuted to imprisonment for life, and before the death sentence on the other two men could be carried into effect a number of petitions containing some 15,000 or 16,000 signatures were received by the Governor, praying that the lives of Bow and Manns might also be spared. The prayer of the petitioners was acceded to in Bow's case, but Manns was executed.

The bush-ranging evil had become so great that every available policeman in the colony was sent to the infested districts, and very large rewards were offered for the capture of any member of the gang, dead or alive. Many civilians also joined in the pursuit, and to their prowess was due the end of several of the desperadoes. Robert Lowe shot Heather, Keightley, a police magistrate, killed

Burke, and David Campbell shot O'Meally. There were many other encounters in which civilians behaved with great gallantry, while the police were ever on the alert. In spite, however, of the continued efforts of the Government, the work of suppressing bushranging was very slow, indeed it was years after the disappearance of the chief actors that the evil entirely ceased.

Gardiner, the ringleader of the principal gang and the organizer of the most daring raids, growing tired of the life, disappeared from New South Wales without leaving a trace behind him, and his place at the head of the gang was taken by Ben Hall, under whose leadership many outrages were committed. One of the most daring was the sticking up of the Gundagai mail, when Gilbert shot Sergeant Parry, who, deserted by his companion, attempted to defend his charge. This was one of the last affrays with which Gilbert was connected. He and Dunn had separated from Ben Hall, and shortly afterwards took refuge one night at the homestead of a farmer, who, without losing any time, sent word to the police. Three constables hastened to the scene and engaged the bushrangers, who endeavoured to escape. Dunn was able to get away, but Gilbert was shot. At the time of his death the young outlaw was only twenty-three years of age. Dunn was captured later on the Marthaguy Creek; he resisted arrest and shot one of his captors, and was himself wounded. He was afterwards tried in Sydney, and, being convicted, was executed.

Ben Hall also grew tired of the reverses of his gang, and determined to follow Gardiner's example and leave the colony. After his separation from Gilbert and Dunn, he made preparations for his departure, and applied to a relative, to whom he had entrusted the proceeds of some of his numerous robberies, but the man was unwilling to give up the plunder, and on pretence of going to the town of Forbes to draw the money from the bank in which he said it was deposited, he informed the police of the bushranger's hiding-place. This was surrounded, and the

following morning, when Ben Hall unsuspectingly quitted his concealment. he was fired on by the police and his body riddled with bullets, not less than thirty-four wounds being counted. There was a reward of £1000 on the head of Ben Hall; half the sum was given to the informer and half was divided amongst the police by whom he was shot down. Hall's death occurred on 5th May 1865, about a week before Gilbert met his end.

While Hall and his crew were disturbing the country in the vicinity of Forbes, a still greater ruffian than any who had yet appeared was troubling the districts nearer the Victorian border. This was Daniel Morgan. His murderous exploits were most daring, and are unequalled in the annals of Australian crime. His depredations extended over three years, and were not confined to New South Wales, for, in April 1866, he made a raid into Victorian territory, where he was shot and killed, as he was about to leave Peechelba Station near Wangaratta, which he had "stuck up" the previous day. The whole colony seemed relieved when the terrible outlaw's end became known.

Shortly before the dispersion of the Ben Hall gang, an outbreak of bushranging of a very formidable character occurred in the Yass, Braidwood, and Manaro districts. The brothers John and Thomas Clarke were the principals, and they were aided by a large body of sympathizers, spies, and bush telegraphs. The Clarkes belonged to a noted family of horse and cattle thieves, and had already a criminal history when they appeared before the country as highwaymen. Together and separately they kept the whole country, in which they operated, in a state of terror. Their murders were numerous, and some of them most wanton. The Government seemed powerless to stop their career of crime, and the offer made by certain special constables to effect their arrest was gladly accepted. The special constables were Carrol, Phegan, McDonnell, and Kennagh, who were sent to Jindera, at which place it was known that the Clarkes were being harboured. The unfortunate con-

stables were foully murdered, but it has never been disclosed by what means or by whom the deed was done. There can be hardly any doubt that the murderers were the Clarkes, though it is improbable that they were unaided in their crime. The Government proclaimed a reward of £5000 for information leading to the arrest of the persons concerned in the murder of the four constables, but without response. Some months subsequently the two Clarkes were arrested by the police after a severe encounter, and, having been tried and convicted, were hanged at Sydney on 25th June 1867.

With the disposal of the Clarkes bushranging on a large scale disappeared from New South Wales, but it was several years before the pest was completely stamped out. During the seven years that bushranging was most prevalent, over thirty police were wounded in the execution of their duty, and many of them died of their wounds. A large number of civilians were also wounded, and the murders of some twelve are on record, but it is probable there were others not discovered. Twenty-three bushrangers were either shot or hanged during the same period.

The attention of Parliament had been early directed to the evil, for on 19th August 1863, Martin, afterwards Chief-Justice of the colony, moved: "That in the opinion of this House the alarming state of insecurity for life and property, which has so long prevailed throughout the country districts, is in a high degree discreditable to Her Majesty's Ministers in this Colony, and secondly, that the conduct of Her Majesty's Ministers in this Colony in the appointments to the magistracy, and generally in connexion with the administration of justice has been such as to call for the strong condemnation of this House." The motion was not and did not deserve to be carried, but it truly expressed the prevailing opinion in regard to the state of the country. The Government and the police were not to blame. The police were few in numbers, but on almost every occasion on which they met bushrangers they behaved with great gallantry. They had to cope

with an organized system of espionage, and their movements were known to the bushrangers, while those of the bushrangers were rarely reported to the police, except by persons actually suffering from their violence. The means of rapid communication did not exist in the districts infested by the outlaws, and in the whole colony, at the height of the trouble, there were only forty-five telegraph stations compared with forty-three times that number in the year 1914. Highway robbery is invariably prevalent in young countries, where means of communication and transit are limited, and in New South Wales and Tasmania the remnant of the old bond population comprised many persons who would readily take to the bush if opportunity offered. It was not until the colonies were traversed by railways and threaded by telegraph wires that life and property in the interior districts came to be reasonably safe.

The outbreak of lawlessness of which a rough account has just been given, and the spectacle of a large number of armed men ranging the country almost unchecked, murdering, pillaging, and rioting, had an unfortunate effect upon the minds of those whose history and environment conduced to criminality, and during the bushranging period and afterwards there was a great deal of crime of a less picturesque kind than the "sticking up" of mail coaches and gold escorts in broad daylight, or the raiding of cattle and sheep stations. The criminal records give some idea of the extent of this criminality, but in considering them it must be remembered that far more persons escaped arrest and punishment in 1860 and the years following than at the present time. During the ten years 1861-1870, there were about 500 capital convictions and 116 executions in the six colonies; in 1861 there were some 2600 persons tried for serious offences, of whom 1531 were convicted: these last-mentioned figures connote an extent of criminality three times as great as exists at the present day, equal populations being compared. Petty crime was also rampant in every colony, and the daily

chronicles of the happenings in Victoria, New South Wales, and Tasmania read like the records of a bad dream.

New South Wales had not indeed a monopoly of bush-ranging, but during the greater part of the period it was the chief theatre of the bushrangers' exploits. In April 1865, almost in desperation, the Parliament of the colony passed an Act called "The Felons' Apprehension Act," providing for the outlawry of bushrangers, and, what was also very important, for the punishment of those who afforded them succour and assistance. The Act gave authority to the police, when in pursuit of bushrangers, to take away any person's horses and ammunition. This had an immediate effect in preventing assistance being given to outlaws by their sympathizers, and within a few years bush-ranging was completely suppressed. The year 1866 was the culminating point in the orgy of crime in Australia; thereafter offences of all kinds rapidly declined in number and gravity, and towards the close of the period conditions again became normal.

Gardiner had escaped into the neighbouring colony of Queensland, where he opened a store on the road from Rockhampton to the Peak Downs, and successfully carried on business for two years. He was captured by the merest chance: his description had appeared in most of the local papers, and the casual perusal of an old newspaper led to his identification. Gardiner was brought to Sydney, tried on various charges of robbery under arms and wounding with intent, and, being found guilty, received sentences amounting to thirty-two years. Before he had served many years of his sentence, pressure was brought to bear upon the authorities to secure his release, and various petitions, numerous and influentially signed, had been presented to the Governor, praying for Gardiner's release, on the ground of the desire to reform which the prisoner's conduct evinced both before and after his capture. When dealing with these petitions the Governor had made an indefinite promise that, after Gardiner had served ten years of his sentence, his case would be recon-

sidered with a view to his release, and as this information had been conveyed to the prisoner the Governor felt bound in honour to carry out this promise. Accordingly he addressed a minute to the Executive Council, in which he pointed out that the prisoner had been already sufficiently punished and could with safety be released, on condition of his leaving Australia. When the design of the Governor was bruited abroad there was a roar of indignation from the whole community, so recently suffering from Gardiner's depredations; but the Governor was immovable, and deprecated the retention of a man in prison in obedience to mere popular clamour, which he believed to be both unreasonable and unjust. "It was indispensable," he said, "for prison discipline that every hope held out to prisoners should be scrupulously fulfilled, or broken only on grounds the sufficiency of which would be apparent even to prisoners' minds." The Governor also declared he could see no such grounds in the present case, and he was convinced that the bad moral effect upon the whole body of prisoners which would result from disappointing, without sufficient reason, an expectation raised by Her Majesty's representatives, would be infinitely greater than the inconvenience which would be likely to result from keeping faith with the prisoner and allowing him to leave the country.

The prerogative of mercy was at the time exercised by the Governor alone, though it is probable his advisers were in full accord with him in regard to its exercise in this case. Gardiner was accordingly released, and the public indignation was intensified by the wording of the Governor's minute ordering the release. The minute had been laid before Parliament, and a motion was proposed censuring the action of the Governor's advisers and the Governor himself. There was a very angry discussion in Parliament upon the motion, which was only lost on the casting vote of the Speaker. The dissolution of Parliament immediately followed, and when the new Parliament met a vote of censure was moved, in the form of

an address to the Governor, couched in the same terms as those of the motion on the same subject made in the previous Parliament. The address was as follows :

We desire with reference to the important matter which led to the dissolution of the late Parliament most respectfully to express our regret that your Excellency's Responsible Ministers should have advised you to communicate to the Legislative Assembly your minute to the Executive Council, dated the 23rd June, with reference to the release of the prisoner Gardiner. Because it is indefensible in certain of its allegations, and because, if it is considered to be an answer to the respectful and earnest petitions of the people, it is highly undesirable to convert the records of this House into a means of conveying censure and reproof to our constituents; and if it refers to the discussion in this Chamber, then it is in spirit and effect a breach of the constitutional privileges of Parliament.

The motion of censure was carried and the Ministry resigned. Sir Hercules Robinson, the Governor, now found himself in a very difficult position. Under ordinary circumstances he would have sent for Robertson, the leader of the Opposition, but Sir Hercules was anxious to avoid having for his chief adviser the mover of the vote of censure, which reflected more upon his own action than on his Ministers. The Governor therefore turned to Sir William Manning, a distinguished member of the Legislative Council, and asked him to form a Ministry. This Manning attempted to do, but without success, and the Governor had perforce to entrust the task to Robertson. After the re-election of the new Ministers an attempt was made in the Legislative Assembly to censure the Governor for his action in sending for a member of the Council to form a new Ministry, but the House negatived the motion, more perhaps out of consideration for the Governor than in the belief that his action in the matter was justifiable.

The discussion of the Gardiner question in Parliament turned mainly on constitutional principles, but the public at large were more concerned with what it considered the inadequate punishment of an undoubted ruffian. A small

section, including advanced opinion in labour circles in all the colonies, took the view that the most important point in the affair was whether the prerogative of mercy should continue to be exercised by the Governor alone or on the advice of his responsible Ministers, and that the latter was the only policy consistent with democratic principles. The Governor was, however, in spite of what had happened, prepared to continue to take the responsibilities of his office as he entered upon it, without change. When Gardiner departed for America, the affair with its attendant complications passed out of mind, and it became impossible to excite public attention to the consideration of any of the side-issues suggested by it.

IV

LAND LEGISLATION AND SETTLEMENT

NEW SOUTH WALES

THE Land Acts of 1861 were in force, without any alteration, during the whole of this period, and in these first years of its operation the Robertson policy seems to have justified some of the predictions of its partisans. Its two great objects were to give access to the land to men of small means, and to facilitate the settlement of an agricultural population side by side with the great pastoral tenants of the Crown. The first of these objects was undoubtedly accomplished, but the Act failed altogether to establish an agricultural population or promote agriculture in any way whatever. At the close of 1861 there were already nearly 300,000 acres under crop ; in 1872 the corresponding area was 454,000 acres. Meanwhile, some 4,800,000 acres had been alienated, so that for every acre put under cultivation 30 acres were sold.

No very great increase in the sale of land took place immediately the Act of 1861 came into force. During 1862, 357,281 acres were sold conditionally, and the area sold otherwise was 88,056 acres. The purchases made in 1862 satisfied a large number of genuine selectors, who had been waiting some time for an opportunity of obtaining land ; and during the next few years the conditional selections made were much less numerous, mainly from this reason, though, it may be, the character of the seasons had also something to do with the matter. From 1866 to 1871

the areas sold conditionally were large, varying between a minimum of 232,176 acres in 1867 and a maximum of 397,329 acres in 1869, but it was not until 1872 that selection on a vast scale commenced. That year marks a turning-point in the alienation of land under the Act of 1861, and the conditions which then arose led to the amendment and repeal of the Act. Their discussion belongs properly to the succeeding period.

During the years 1861 to 1871 the Act, if not a marked success, was not a marked failure, but a few years' experience of the working of free selection before survey was sufficient to convince the squatters that it would be necessary for them to purchase a large portion of their runs if they wished to hold their leases with safety; as almost from the passing of the Act there existed a class which, rapidly increasing in numbers, saw in free selection a powerful means of victimizing the leaseholders. But, as it happened, the commercial depression following the crisis of 1866 deprived the squatters of the power to make large purchases of land, and it was not until 1872 that this depression disappeared and the banks became willing to lend themselves to strengthening the squatters' position against the predatory selector.

The occupation of land for pastoral purposes was regulated by the Occupation of Crown Lands Act passed by Robertson simultaneously with his Alienation Act of 1861. This dealt with all vacant lands and, as they fell in, with the old leases under the Orders in Council of 1847: it inaugurated a new system under which, though leases were given for definite periods, the whole of the land comprised in them was open to selection at any time. In the settled districts land was to be offered at auction, on lease for one year, with right of renewal if not required for other purposes. In what were termed the unsettled and intermediate districts, comprising the greater part of the colony, leases were to be given for periods of five years with the right of renewal, at a rent to be appraised by the Lands Office. In 1865 the first of these appraisements

was made and rents of runs were raised on an average by from 80 to 100 per cent. New runs or runs which lapsed to the Crown were to be offered at auction and let to the highest bidder. Under the first regulations issued, the upset price of a run was fixed at £1 a year per square mile, and the bidding for the lease had to begin with that sum. It frequently happened, however, that under this method the purchaser placed a higher rent on the run than he was able to pay, and the land lapsed again to the Crown; to avoid this, new regulations were issued in 1865 fixing the rental at a certain yearly amount and allowing the bidders at the auction to fix a premium for the right to the lease. The privilege was given to a leaseholder to improve his run and thereby acquire the pre-emptive right over the land on which the improvements stood, such pre-emption extending to an area comprising four times as many acres as pounds had been expended on the improvements. So long as the right of pre-emption was not exercised the land affected was disjoined from the lease of the run and constituted a separate lease, known officially as a pre-emptive lease. This right of pre-emption in virtue of improvements was conferred on lessees in the expectation that it would lead to a judicious expenditure on permanent improvements, which would increase the carrying capacity of the runs. Undoubtedly many such improvements were made, but there was also much expenditure not resulting in the permanent improvement of the land, which was indulged in merely with the view of acquiring the pre-emptive rights granted by law.

The stocking of the sheep-runs of the colony proceeded apace during the period, and in 1872 there were 17,566,000 sheep as compared with 5,615,000 in 1861; this represents an annual increase at the rate of 11 per cent. It was this very marked progress in sheep-breeding which persuaded the people of the colony that nature had intended New South Wales to be a sheep-walk, and reconciled them to the comparative neglect to which agriculture was relegated. The cattle in the colony numbered 2,272,000 in 1861, and

ten years later there were only a few thousand more, in the interval a large part of Queensland having been stocked from the New South Wales runs. When this process was over the herds of the colony again began to increase; but there was a general feeling amongst pastoralists in favour of sheep-breeding, and henceforward New South Wales remained pre-eminently the sheep colony and Queensland the cattle colony of Australia.

VICTORIA

The provisions of the Land Act passed by the legislature of Victoria in 1862, especially those in regard to selections, were eagerly taken advantage of; but it was soon recognized that the land was not being selected by small proprietors, who would permanently establish themselves on their holdings and in the course of a few years cover Victoria from one end to the other with smiling homesteads. The majority of the selectors were "dummies," by whose aid the land was passing into the hands of the wealthy squatters, who were thus able to obtain the best portions of their runs comparatively cheaply. When the Government realized what was happening, and, still more, what was likely to happen, it determined to put an end to this traffic, which suited so little its views of land settlement. In 1863 selection under the Act was suspended, and for the time being land could be bought only at auction. Meanwhile 1,423,235 acres had been selected.

Various attempts were made to amend the law, but it was not until May 1865, after a change of Ministry, that an Amending Act could be passed and agricultural land thrown open once more to selection. The new Act provided very elaborate and, it was hoped also, effective precautions against dummying. The possession of agricultural land could be acquired in the first instance only by lease, which could not be determined for three years. A lease was subject to an annual payment of 2s. an acre, and could not be assigned, and the lessee was required

to reside on his land and make certain specified improvements thereon. At the end of three years, if the lessee had fulfilled the prescribed conditions as to residence and improvements, there were various alternatives open to him. He might pay £1 an acre and demand a grant in fee-simple, or he might require his leasehold to be offered at auction at an upset price of £1 per acre with the value of his improvements added, the latter being paid to him by the purchaser. If the lessee did not wish to purchase the land or to realize the value of his improvements, he might retain his holding on lease for a further period of four years, but at the end of that time he was required either to purchase the land at £1 per acre, or forfeit his holding together with its improvements, which then lapsed to the Crown. As further provisions against dummymg the Act provided that the interest of a lessee could not be taken under an execution for debt, nor pass to the assignee of his estate if he became insolvent. The Board of Land and Works was empowered to disallow applications for selection of land, at any time, within thirty days of their receipt. This was also a provision to frustrate dummymg, and was in the early years of the Act used quite freely.

The Act of 1862 gave to any one selecting land the right to pay for one-half of his holding by instalments of 2s. 6d. per acre, payable for eight years, and in order to equalize the privileges of all selectors the right was given to selectors, under the law of 1860, of selecting and acquiring on the same terms a further area equal to what they already had, provided this did not exceed 320 acres. Persons entitled to this concession were required to make application for authority to make the additional selection within one year after the passing of the Act, and certificates were issued to persons found entitled to this concession.

When the Act of 1862 was suspended a large number of persons holding these certificates had not exercised their right of selection, and the Act of 1865 gave such persons a specified time within which their certificates could be validly used. During 1865 and 1866, 2969 certificate-

holders took up 539,423 acres, and it was commonly believed and asserted that these persons were nearly all squatters' dummies, and that very little land was taken up for genuine settlement.

Under the 42nd clause of the Act of 1865, the principle of leasing was extended to small agricultural holdings. These holdings were obtainable in certain declared reservations situated mainly in the vicinity of the goldfields. The maximum area leasable to any one person was 160 acres and the yearly rent 2s. per acre, but the area obtained was usually much less than that; holdings, however, whether large or small, were very eagerly taken up.

Thirty-six land offices were established to deal with applications under the Act of 1865, and 267 agricultural areas, embracing some 3,847,000 acres, were immediately thrown open for selection. In many cases there were more applicants than there were portions available and lots were drawn to determine the successful applicant. At these drawings the most disgraceful scenes occurred. Riots, fighting, and drunkenness were commonly reported in the first year of the operation of the Act, but later the procedure was much better regulated.

Alienation proceeded apace. During 1865, 1,827,235 acres were selected, and in the following year 313,765 acres. At the end of 1866 the population settled on these newly-acquired lands numbered 7674; permanent improvements to the value of £437,000 had been made, and 22,555 acres brought under cultivation. The selectors, as the occupiers of these lands were called, depastured 4350 horses, 27,180 head of cattle, and 180,145 sheep. This was excellent showing for eighteen months' operation of the Land Act, and the authors saw in it full justification of their work. It must not be supposed, however, that this settlement was of the nature of a gain entirely to the colony. On the contrary, there was a tendency for men who had farmed land, and exhausted it to some extent, to give it up for a new holding, which they could acquire upon such easy terms. Hence the increase in the total cultiva-

tion of the colony was by no means proportioned to the area cultivated on new holdings, and in many districts land once under cultivation was reverting to pasture.

In December 1869 the legislature passed a comprehensive Act amending and consolidating the laws relating to the sale and occupation of Crown lands. So far as the sale of land was concerned the two methods of auction and selection were preserved, but the terms upon which selection could be taken up were made even more liberal than before, and the amount of land that could be sold by auction in any one year was limited to 200,000 acres.

Selectors were allowed to choose any portion of Crown land, not exceeding 320 acres, whether surveyed or not, except in certain districts which were specially exempt from selection. They could obtain an occupation licence for three years at an annual rental of 2s. per acre. This licence was not transferable. The licensee was required to fence the land within two years, to reside upon it for two and a half years, and to cultivate at least one-tenth of it during the term of the lease. At the end of the three years he might, at his option, pay 1ls. per acre for the fee-simple of the land, or he might continue to hold his land at a yearly rental of 2s. per acre for a further term of seven years, when he became entitled to the fee-simple without further payment.

The Act came into force in 1871 and was followed by a great rush to obtain land. During the first year 609,731 acres were selected and in 1872, 755,372 acres.

The Act of 1865 made no change in the mode of letting pastoral land, nor did it provide for the renewal of the licences of the existing leases, which expired at the close of 1870. It was justly considered that the provision for the renewal or termination of leases should be put on a permanent basis, since the insecurity felt by pastoralists, as the termination of their leases drew near, was very unsettling, not only for the persons directly concerned, but for the banks and all with whom the lessees did business. The Land Act of 1869 made permanent provision for

dealing with leases already existing, and those that might thereafter be granted. It fixed the maximum extent of a new run at an area sufficient to carry 4000 sheep or 1000 head of cattle, instead of the larger numbers previously permitted. Such new runs could be granted on lease for fourteen years, subject to the right of the Government to sell any portion of them during that period. The rent of the run was to be fixed by the Board of Land and Works, and the lease might then be sold by auction to the bidder of the highest premium. In the case of old runs, the yearly licences were to be renewed, at a rental calculated on the basis of 8d. per sheep, or 4s. per head of great cattle, which the run was estimated to be able to depasture. The rental was to be fixed every five years, and the estimated carrying capacity of the runs could be redetermined by the Board, at any time within six months of the expiry of any such period. In accordance with this provision the rent in 1875 was raised by authority of the legislature to 1s. per head of sheep and 5s. per head of great cattle.

The big increase in freehold settlement during the period naturally brought about a decrease in the area depastured under licence. In 1863 there were 1161 squatting runs, comprising an area of about 28,826,000 acres; in 1872 the number of runs was 974, and their area about 27,970,000 acres.

The period witnessed a great expansion of settlement and agriculture in Victoria, unquestionably due to the facilities afforded by the law for the acquisition of land. In 1863 there were 16,416 holdings of one acre or more in extent, comprising within their boundaries an area of 4,722,050 acres. In 1872 the number had increased to 33,720, comprising a total area of 10,100,679 acres. In the same period the cultivated area of the colony rose from 465,430 acres to 937,220 acres, showing a rate of progress far in excess of that of population.

QUEENSLAND

To Queensland was given, on its separation from New South Wales, a vast territory extending from Torres Straits in latitude 11° south to the borders of New South Wales in latitude 29° , and from the Pacific Ocean to the 138th meridian. The area comprised within the new colony was 668,497 square miles. Very little of this territory was unfit for occupation, while the greater portion was eminently adapted to agriculture or the maintenance of sheep, cattle, or horses; the population, however, was only about 25,000. The problem which the rulers of this handful of people set themselves to work out was, without disturbing the due development of the pastoral industry, to settle an "industrious yeomanry" on the soil. The seriousness of their intentions, or perhaps their inability to grapple with the task they had set themselves to perform, may be inferred from the fact that at no time between the establishment of the colony and the close of this period was a Lands Act, of some kind or another, absent from the parliamentary business paper. Nine Acts, some of major importance, dealing with land sales were passed in these few years, besides eight Acts to regulate pastoral occupation. All this legislation had little success in effecting the purpose of its authors, and at the end of the period the industrious yeoman was as conspicuous by his absence as he was at the beginning, in spite of the sale of some 5,000,000 acres of land, the greater portion of which was parted with by the colony in the fond belief that it would be occupied for purposes of tillage.

At the time of separation from New South Wales very little land had been sold, and that little was chiefly building lots in Brisbane and Warwick or in the neighbourhood of these towns. The Imperial Land Act of 1842 and the Orders in Council of 1847 regulated the disposal and occupation of Crown lands, and, had the rulers of Queensland been wise they would have allowed the law to remain unchanged, until they had had an opportunity of studying

the conditions of the infant colony, and had observed the lines upon which settlement was likely to proceed.

It will be remembered that land settlement was a much-discussed question in New South Wales at the close of the previous period, and that the Robertson Lands Acts were passed shortly after Queensland obtained its independence. It was natural that amongst the first matters to engage the attention of the Parliament of the new colony, when it met in 1860, was the land question. This Parliament was largely composed of persons engaged in pastoral affairs, who were very well content with the system they had inherited from the Mother Colony, and Herbert, the Premier, who was purely an official with no experience of Australian affairs, was not likely to countenance any radical changes in a law given to the colony by the Colonial Office, unless compelled to do so by the progress of events.

A Bill to provide for the Alienation of Crown Lands was introduced early in the first session of Parliament and passed without much discussion, receiving the Royal Assent on 17th September 1860. This Act maintained many of the chief features of the previously existing law. It provided for the sale of land by auction after survey at a minimum price of £1 per acre, and for the sale by private contract at the upset price of land which had been exposed for auction, but not sold. But it modified this general principle by providing for the proclamation of special areas, known as agricultural reserves, within which sale by auction was not permitted, but the land, as soon as it was surveyed, could be purchased at the fixed price of £1 per acre. No selector was allowed to purchase less than 40 or more than 320 acres of this land, and he was required to occupy the land and improve it. If he did so within six months of his purchase the deed grant was issued to him. A person who took up less than 320 acres was permitted to lease land contiguous to his selection, so as to bring his total area to the maximum allowed. For this land he was required to pay rent at the rate of 6d. per acre for five years, during which time he was given the right of

pre-emption, provided that the total area leased did not exceed three times the area originally selected. The Act ordered that agricultural reserves of 100,000 acres in extent should be proclaimed on the shores of Moreton Bay, Wide Bay, Port Curtis, and Keppel Bay, and areas of 10,000 acres within five miles of all towns containing more than 500 inhabitants. The Government was authorized to give a land order of the value of £30 to every adult immigrant who came at his own expense from Europe, or to any person in the colony paying for such immigrant. The results of this last-mentioned experiment in land legislation are discussed in the chapter relating to immigration.

The intention of the Act was obviously to encourage settlement in those portions of the colony which, by reason of their position and the nature of their soil, were best adapted for agricultural production. It was confidently expected that a large proportion of the immigrants whom it was arranged should be introduced would use their land orders to purchase small holdings within the agricultural reserves, and much was heard during the discussions which attended the passing of this Act of the sturdy yeoman class which would presently be the surest guarantee of the permanent progress of the colony.

The soil and climate of certain parts of Queensland are eminently adapted to the growing of cotton, and the Act of 1860 provided that a land order of £10 should be given as a bonus for every bale of good, clean Sea Island cotton grown and exported to Great Britain, during the first three years after the passing of the Act, and, for the two following years, land orders of £5 for each bale. For commoner descriptions of cotton bonuses of half these values would be given. The American Civil War was then on the point of breaking out, and it was hoped that if cotton-growing were once established under the stimulus of high prices and direct encouragement, the industry might be able to hold its own, when peace was restored in the United States, and the price of cotton lowered again. To give further encouragement, persons willing to embark in the industry

were allowed to take up blocks of from 320 to 1280 acres in extent, on the payment of 2s. per acre at the time of application. If, within two years, the occupier could produce satisfactory evidence that at least one-tenth of the land had been planted with cotton, and that a sum in the proportion of at least £5000 per square mile had been expended in improvements in connexion with its cultivation, the deposit money was to be returned and a grant in fee issued. Otherwise the deposits and the land, with its improvements, would be forfeited. Small as was this encouragement, three companies and several private planters undertook the cultivation of cotton within twelve months of the passing of the Act.

So far as agricultural settlement of a general character was concerned the Act of 1860 was a failure. Although many immigrants arrived and received land orders, very few of them used such orders to take up land, and with a continent open to them the persons already in Australia were not induced to expend their energies on small agricultural areas. It must be admitted, however, that the failure of the Act was not due to a single cause. It was not administered well. The agricultural reserves which it specified were proclaimed, but no great effort was made to survey them, and they were often unsuited for agriculture, either because the soil was not fertile or because they lacked easy access to a market. If good and accessible land had been made available for settlement, it might perhaps have been otherwise, but as it was the newly-arrived immigrants showed little disposition to use their land orders in taking up small holdings. There was a ready market for their labour on the pastoral stations and, to some extent, in the towns, and it was neither easy nor wise for them to begin agriculture, on their first arrival in the colony. The orders were transferable, and as immigrants found they could sell them readily they usually did so. There was some tendency at first for the land orders to be used, by their purchasers, in buying town allotments which might have some speculative value;

but the Government very soon put an end to this use of land orders by declaring them available only for the purchase of country land. Thereafter the great bulk of those issued passed into the hands of the squatters and were used by them in purchasing land under the pre-emptive privileges conceded to them under the interpretation put on the regulations of 1847 by the New South Wales authorities, which Queensland also followed. The small effect of the Act of 1860 in promoting settlement may be inferred from the sales of land in agricultural reserves, which in two years amounted to 13,319 acres only, and some of this land was obtained by persons who were not entitled to benefit by the Act as they did not intend to occupy their holdings.

A short experience of the working of the Act of 1860 convinced its authors that it contained defects that required immediate remedy, and an amending Act was passed in September 1863, which provided that areas of not less than 50,000 acres in the larger agricultural reserves of Moreton Bay, Wide Bay, Port Curtis, and Keppel Bay, and areas of 2500 acres in the reserves adjoining the towns should be surveyed and proclaimed open to selection. The area of possible selection was fixed at not less than 18 and not more than 320 acres, and it was ordered that the land should be marked out in blocks of these dimensions. The provision as to leasing contiguous land was not re-enacted, as it was found that the selectors almost invariably took up the maximum area of land permitted by the law, without leaving themselves enough capital to improve their holdings; the leased areas were invariably neglected, remaining unfenced and unimproved, and consequently became forfeited. The amending Act still required of the selector the occupation, improvement, and cultivation of his holding: the failure to fulfil these conditions within six months involved the forfeiture of the selection, as well as 10 per cent of the purchase money.

As already mentioned, extremely few of the immigrants who were able to claim land orders used them for the pur-

pose of taking up land ; the general practice was to dispose of them almost as soon as they were available. In the vain expectation of forcing the immigrants, or some of them, to take up land, the orders were now made non-transferable. The transference of orders issued to ship-owners for carrying free or assisted immigrants was not interfered with, as such a course would have put an end to immigration. When the new Act came into force the orders granted to shippers were much the more numerous, and the class accustomed to purchase land orders were not greatly inconvenienced. This will be seen from the figures relating to the sale of land. During 1863 the total revenue from sales amounted to £135,614 ; of this sum £95,607 was paid in land orders ; in 1864 the total revenue was £190,730, of which £133,031 was paid in land orders. The fact that the land orders given to the immigrants themselves were non-transferable did not completely prevent their sale, but it diminished very decidedly the price at which they could be sold. It was impossible for newly-arrived immigrants, without capital, and this was by far their more usual condition, to settle upon uncleared land and apply themselves to improving it, as the Act required them to do. To the bulk of the immigrants therefore, the land orders had positively no value, except as objects of sale, and an immigrant could only sell his order indirectly by going through the process of taking up land and transferring it to the adjoining owner, the latter performing the necessary conditions imposed by the law.

The unsatisfactory nature of the Act was admitted, and, in April 1866, Macalister brought in a measure covering the whole question of the disposal of public lands. He proposed to maintain the upset price of country lands at a minimum of 20s. per acre, and as the squatters, who were the principal purchasers, desired a lower minimum, they defeated the Government, which resigned in July 1866, almost at the height of the financial difficulties of the period.

Up to this time the labouring population of Queensland

had shown very little inclination to turn to agriculture as a means of livelihood; but during the time of difficulty and unemployment attending the financial crisis through which the colony passed in the latter half of 1866, it was claimed by this section that if there had been free access to the land there would have been little unemployment, and the failure of a few financial institutions would not then have affected the community to any great extent. There was a considerable body of unemployed in Brisbane, whose leaders preached the doctrine that the Government ought to allow them to settle upon the land and cultivate it without any payment at all, and argued that, as all their distress was due to the restrictions which had prevented land settlement, the community ought to bear the whole cost of their support. There can be no doubt that these opinions, expressed frequently and forcibly, had effect, and though no responsible politician could be found who advocated free land, Macalister's second Ministry, which met Parliament in September 1866, conformed to the general opinion of the community when it almost immediately introduced a measure to make it easy for persons with very little capital to obtain access to the land. The Land Leasing Act was readily passed by Parliament. It provided that small areas of country land, which had been exposed for auction but not sold, and unsurveyed land within the agricultural reserves, might be leased, one-eighth of the upset price of the land being paid yearly as rent; the payment of rent for eight years being accepted by the Government as full payment for the land. The term "lease" was used in the Act, but the transaction was rather in the nature of payment by instalments without interest. The maximum area that could be taken up at one time by an individual or firm was limited to 2560 acres of ordinary country land or 320 acres within an agricultural reserve, and only one lease could be current at a time.

The Land Leasing Act was a very small instalment of reform, and of no advantage to the man without capital.

Macalister regarded the measure as an immediate instalment of the class of legislation he would bring in if the country would give him a mandate, and, having only a majority of two on critical divisions, he appealed to the country and made the question of land legislation the principal feature in the election which followed the dissolution in June 1867. He failed to carry the elections and resigned, Robert Ramsay Mackenzie succeeding him as Premier. The new Premier represented the squatting party, and Lamb, who was Minister for Lands, was a squatter. Nevertheless, as Lamb himself stated in Parliament, "it was impossible for any set of men to carry on the Government without bringing in a Land Bill." The intentions of the Government were set out by the Governor when he opened the new Parliament in August 1867. "Taught by experience of the unsatisfactory working of the Land laws passed by previous Parliaments, my responsible advisers, with a desire that the alienation of the public lands may be set free from the obstructions which now exist, deem it necessary that Parliament should at once be invited to pass a law, having for its leading principles, first, the withdrawal of portions of the Crown lands from the category of unsettled . . . and the addition of such portions to the settled districts . . . and second, the throwing open of the extended Settled Districts to Free Selection, both before and after survey, in blocks of from 40 to 640 acres, with conditions of residence and cultivation. It is also proposed that these lands shall be disposed of by lease for eight years at 2s. 6d. per acre, the rent to form the purchase money." The Government brought in a Bill on these lines, but it was not proceeded with; a private Bill on much the same lines, but going a little further, was accepted in its place as a Government measure. This was the Act "to amend the laws relating to the Alienation of Crown Lands," which was passed in February 1868. The Act continued to differentiate between the settled and unsettled districts, but the area of the so-called settled districts was enlarged by the inclusion of the districts of

East and West Moreton, the greater part of the Darling Downs, the district of Wide Bay, all lands within short distance of navigable rivers, and those portions of the Port Curtis and Kennedy districts within thirty miles of the sea coast, and extending northerly to Rockingham Bay. Within the settled districts the Act declared all unleased country land, except such as was comprised in railway, township, or agricultural reserves, to be open to free selection by "conditional purchasers," and the area available for selection was greatly enlarged by the resumption of practically half the area held under lease by the squatters in these districts.

The lands of the colony were divided into three classes : agricultural land, first-class pastoral land, and second-class pastoral land, and in the last category was included the unlet Crown lands in the unsettled districts. The price of agricultural land was fixed at 15s. an acre, of first-class pastoral land 10s., and second-class 5s., made payable in ten equal instalments, and the land was to be held on lease until the purchase money was paid. The area which might be acquired by a conditional purchaser was from 40 to 640 acres of agricultural land, 80 to 2560 acres of first-class pastoral land, and 80 to 7680 acres of second-class pastoral land. The selector was required to occupy the land continuously during the period of payment and surround it with a suitable fence. If within two years of selection in the case of pastoral land, and within three years in the case of agricultural land, the selector could show that he or his bailiff had resided on the land for two years and had made certain additional improvements, a grant in fee could be obtained at once on payment of the balance of the purchase money. The Act also fixed the minimum price of other classes of land, viz. mineral lands, £1 per acre ; town lands, £8 per acre ; suburban lands within one mile of a town, £1 per acre, and other suburban land, 15s. per acre.

By these means Parliament sought to make the acquisition of land easy to the man with limited capital, and the

conditional purchase system was designed to promote mixed pastoral and arable farming, as it had begun to be recognized that agriculture alone would not, in the then condition of the colony, prove remunerative. For the cottar and small farmer other provisions were made. The Act provided that the heads of families or any persons of the age of twenty-one years might select as homesteads portions of agricultural land, not exceeding 80 acres in extent, or of pastoral land not exceeding 160 acres, on payment of an annual rent of 9d. per acre for the former and 6d. per acre for the latter. If the required rent were paid for five years and the selector had continuously resided on his homestead and cultivated one-tenth of its area where it was agricultural land, or surrounded it with a substantial fence where pastoral land, a grant in fee-simple would be issued to him. Besides the provisions for the acquisition of freeholds, the Act dealt with the occupation of land in the settled districts for squatting purposes: the consideration of these provisions will come later.

The Act threw open very large areas of fine agricultural land previously held by squatters, including half a million acres in the Darling Downs, and 800,000 acres in East and West Moreton, and there was very great eagerness displayed by the people to use the facilities afforded them to acquire land. The Act was assented to in February 1868, and before the close of the year conditional selections to the extent of 393,000 acres, and 330 homestead selections comprising 27,000 acres, had been made. The Act remained in force a little over eight years, and alienation went on briskly during the whole period, principally by free selection; the land thus disposed of comprised about 11,500 selections with an area of 4,500,000 acres. Besides the land conditionally sold there were large sales by auction; the area sold in this way was probably about 50,000 acres a year.

The aim of the Act was not merely to sell land but to settle people on the land more quickly than was being done under the legislation which it superseded; hence

the conditions of residence and improvement attached to the sale. It was also considered that the Act, by limiting the area sold by auction, would prevent the formation of large freehold estates, the limitation of area and the conditions as to residence being thought sufficient to debar squatters adding to their estates by conditional purchase.

It is hardly necessary to say that the carefully devised provisions of the law did not prevent "dummying," and that large areas of land conditionally purchased were not taken up with the purpose of being held, but for transfer at the earliest opportunity to the squatter on whose run the selection was made. Some of these cases of dummying were so transparent that the parties to them were refused grants or did not apply for them, but in the great majority of cases the fraud was successful, as though dummying was suspected it could not be absolutely proved.

There was much less opportunity of dummying being successfully carried out under the provisions of the law regarding homesteads, and it was rarely attempted. A slight experience showed that the area allowed for a homestead selection was too small to form a good holding, and in August 1872 a "Homestead Areas Act" was passed by which the area of selection for agricultural land was increased to 120 acres, and for agricultural and pastoral land together to 320 acres. At the same time the rents of these larger holdings were fixed at 1s. 6d. per acre for agricultural and 9d. per acre for pastoral land. These rents were payable for ten years, when, the conditions as to residence and improvement having been performed, a grant in fee-simple would be issued.

When Queensland was cut off from New South Wales very considerable areas in the new colony were already under lease. These leases were granted under the Orders in Council of 1847 and dated, as in New South Wales, from 1852, so that the fourteen years of their currency expired in 1866. During the closing months of 1859, after it was known that the northern districts were to be erected into a new colony, and in the first half of 1860, in anticipation

of the legislation that would be inevitable when the Queensland Parliament was called together, there was a great extension of pastoral settlement, and large numbers of leases were applied for. During 1858 there had been only 406 applications for runs, while in 1859 there were 1484, the majority being in the closing months of the year, in anticipation of separation and during the first six months of 1860 the applications numbered 1476. The area applied for during the twelve months ended June 1860 comprised about one-fourth of the unoccupied land in the colony. Many of the applications were purely speculative, but the majority were from genuine settlers, who hurried in their applications so as to acquire a vested right to the granting of a lease, as it was anticipated that any fresh legislation would be less favourable to lessees and occupiers than the Orders in Council of 1847.

The Queensland Parliament lost no time in dealing with the leasing of pastoral lands, and in 1860 three Acts were passed, dealing respectively with occupied Crown lands, unoccupied lands, and tenders for new runs. As regards occupied lands nothing could be done to affect the rights of existing lessees, but the Occupied Crown Lands Act provided for the renewal of existing leases for a term of five years at a rent to be fixed by valuation. If the tenant did not desire such renewal the run would be offered at auction, compensation being paid to the outgoing tenant for his permanent improvements. The leases not coming under the designation of old leases, that is to say, those granted by the New South Wales Government subsequent to 1852, remained unaffected by the new legislation, but leases or promises of leases, obtained in virtue of applications put in during the rush to anticipate parliamentary action, were brought within the provisions of the Tenders for Crown Lands Act which was made retrospective. This Act required that runs should be occupied and stocked to one-fourth of their capacity within twelve months of the granting of a lease. This provision put an end to the practice of the taking up of leases by persons who

had no intention of occupying the land. The Act dealing with unoccupied Crown lands provided that any such lands might be let for a year or less, in sections of not less than twenty-five or more than one hundred square miles, at a rent of 10s. per square mile, under a licence to occupy, and any such licence might be converted by its holder into a lease for fourteen years. For the first four years of the lease the rent was not to exceed 10s. per square mile; for the next five years it was to be not less than £25 or more than £50 for each twenty-five square miles of available pasture, and during the last five years the rent was to be not less than £30 or more than £70 for the same area. No right of pre-emption was granted to the lessee; on the contrary, it was provided that the whole or any part of a run might be resumed for public purposes or for sale after twelve months' notice, the lessee in such case being paid compensation for his improvements.

Under the provisions of the new Act large areas of land were taken up under lease, and as the law required the runs to be stocked to one-fourth of their capacity within a twelvemonth, the financial calls upon the new squatters were very heavy. The squatters who held their leases under the Orders in Council of 1847, to which pre-emptive rights were attached, were at the same time seeking to purchase as large a portion of their runs as possible, before the expiration of their leases in 1866, and they, too, sought financial assistance wherever they could obtain it. To satisfy their requirements the squatters of all classes became very heavily indebted to the banks and to the wool merchants of Sydney, and at the close of 1863 the advances upon live-stock then current aggregated £2,566,500, secured by the mortgage of 3,686,424 sheep, 423,783 cattle, and 29,884 horses, so that two-thirds of the sheep and horses and about half the cattle of the colony were under mortgage.

A few years' experience convinced the Government that the provisions of the Act were likely to prevent farming settlement in the more accessible districts, and in September 1863 an amending Act was passed which for

purposes of leasing adopted the terms "settled" and "unsettled districts" as used in the Act relating to sales. This amending Act authorized the extension of the limits of the settled districts and practically a rearrangement of those classed as unsettled, and it made a material distinction in the tenure of leases in the two districts. Within the settled districts unoccupied runs were to be offered at auction to the highest bidder, at an upset rent of not less than 20s. per square mile yearly, the term of lease which would be granted being five years. In the unsettled districts the conditions under which land might be leased remained as in the original Act, but before a licensee could be converted into a lease the licensee was required to make a declaration that the land, included in his area, was stocked to one-fourth its capacity. In both the settled and unsettled districts leases were made renewable for five years, the rent for the extended period to be fixed by valuation, but in no case to be less than 20s. per square mile. If the occupier of a run did not accept a renewal of his lease, the run was to be offered at auction as a new lease, the purchaser being required to pay the outgoing tenant the value of the permanent improvements on his holding.

When Parliament passed the Act of 1860 it was thought that the demand for land by a growing population would be amply met by the provision, that half the area of each run might be resumed on twelve months' notice. In practice this provision became a dead letter, as to carry it out would have required plans of all the runs, and to make these plans many more surveyors would have been required than were then in Queensland. No resumption of leased lands took place, and there was a wide feeling of irritation, amongst the general population, at the manner in which the squatters were permitted to monopolize such extensive areas, including some of the best and most accessible lands. The locking up of the district of the Darling Downs was especially the cause of great discontent, as the Downs were believed to contain the best wheat-growing land of the colony and were occupied by the most wealthy and

prosperous of the squatters. While the amount of land offered for sale to the public was insignificant, the squatters, who were possessed of leases dating back beyond 1860, were there, as everywhere, exerting themselves to the utmost to buy up as much land as possible under their pre-emptive rights. Very large portions of the most valuable land were thus alienated at a price which, paid in land orders as it was, represented at most an average of from 12s. to 15s. per acre. The pre-emptive rights of the squatters expired in 1866, and it was one of the points which added to the financial difficulties of the Government at that time, that the land orders given to shipowners for carrying immigrants, and which had hitherto been readily purchased by the squatters, no longer found a market; and the Government was therefore obliged to purchase them, in accordance with a promise which had been made a few years before. Having lost the facilities for cheaply purchasing portions of their runs which their pre-emptive rights gave them, the squatters looked to Parliament to offer other facilities and to maintain a low minimum price for country lands; and it was the failure of Macalister to do so that led to the defeat of his Government's Land Bill on 10th July 1866. This Bill fixed the minimum sale price of land at 20s. an acre. To this price the squatters were strongly opposed, demanding that it should be fixed much lower. There were other portions of the Bill to which objection was also taken, but it was on the question of the minimum price that the Government suffered defeat. The Macalister Government had been fairly strong up to the time of the introduction of its Land Bill, and it may safely be asserted that the financial propositions of the Government would have been treated in a very different spirit, if the opposition had not been strengthened by desertions from the Government side, of persons anxious to oust the Government on account of its land policy. But though the Herbert party was thus able to defeat Macalister in Parliament, it became evident, when the members of the new Government went to their

constituents for election in August 1866, that its policy was not viewed with favour by the country. As the settling of the financial business of the country was even more important than that of the land, the Parliamentary parties agreed to a compromise, and a Coalition Government was formed, the Macalister party agreeing to waive their land policy, for the time, in order that the finances of the colony might be placed on a firm basis.

Allusion has already been made to the demand of the Brisbane workers in August and September 1866 for ready access to the land. This led to the passing of the Leasing Act of 1866, the provisions of which have already been mentioned. The Government did not take the demands of the Brisbane workers very seriously, but it little expected that the principal use, to which the Act would be put, would be to enable the squatters to purchase portions of their runs on the easiest of terms. Immediately the Act came into force selections of land on various squattages were taken up by dummies, who performed the very easy conditions required by law, and then transferred their holdings to their employers. The Leasing Act did nothing to bring about the settlement of the country by the persons in whose interest it was passed, that is to say, the small agriculturists or men wishful to carry on mixed farming on a small scale. Macalister's resignation and the subsequent general election led to the return of the opposition to power. They ultimately accepted and passed as a Government measure the Land Act of 1868. This measure was considered concurrently by Parliament with the Pastoral Tenants Bill, which represented a sort of compromise between the squatters and the agriculturists; the Tenants Bill was, however, dropped after the second reading.

The Land Act of 1868 dealt mainly with land purchase, but it also dealt with the lease of pastoral land in the settled districts. It provided that notice of resumption should be given to the lessees of all runs within the settled districts, as extended by the Act, but that the squatters who surrendered their leases within six months, instead

of one year as they were legally bound to do, should receive back the lease of one-half of their runs for ten years at the same rental, and that though the resumed half was open to free selection, they should enjoy the right of pasturage over it until it was actually sold. The squatters almost universally availed themselves of the offer, with the result that very large quantities of land became available for free selection during 1868.

The case of the "outside" squatters, which was the term applied to those in the unsettled districts, was not dealt with so quickly. The Pastoral Tenants Bill had passed its second reading in April 1868, but was not further proceeded with at the close of the session, and when Parliament reassembled in August the Government was defeated. A general election took place which went against the Mackenzie Government, and a new Government was formed whose chief members were Lilley, Fitzgerald, Stephens, and Macalister. This Government took office in November 1868, and was reconstructed in the following January; Macalister, who had at first been Minister for Lands, becoming Minister for Works and Goldfields, and Taylor, a member for the Western Downs and an important squatter, Minister for Lands. During the elections and afterwards, pressure was brought to bear upon the Government to deal liberally with the squatters in the unsettled districts. These men were persons of much less substance than the squatters within the settled districts, and many of them had never possessed much capital, having been indebted to the banks and to wool merchants for the means to stock their runs. As a class they had been unfortunate almost from the first, for in 1863 the prevalence of disease in New South Wales led the Queensland Government to prohibit the introduction of stock overland, and the squatters who were stocking new country could only obtain their sheep from the older squatters. In consequence their sheep were as a rule of an inferior class, giving a low yield of wool, and as the runs, in the unsettled districts, were remote from the coast, the expense

of getting their produce to market was very great. The outside squatters were hard hit by the financial events of 1866. They had become deeply indebted to the banks and merchants, and owing to the serious fall in the price of wool and live-stock, they could not obtain any further extension of credit. To add to their difficulties the season of 1867-68 was very bad, thousands of sheep and cattle had perished for want of water, and many runs were given up as their owners were ruined. Numerous petitions were presented to Parliament by the squatters from all parts of Queensland; these petitions referred to their distressful situation, and usually asked for a reduction of rents, greater security of tenure, and some right of pre-emption. Nor were these petitions confined to the squatters; other parties interested also petitioned. Most remarkable amongst the last-mentioned were the bankers and merchants of Sydney, who stated that they were "deeply interested in the prosperity of Queensland," and who prayed that the above-mentioned concessions should be made in order to place the squatter "in such a position with regard to tenure as will give confidence to capitalists abroad to advance the money necessary to carry out the requisite improvements."

Public sympathy was ranged on the side of the outside squatters, who indeed had never made themselves objectionable to the general public, as their runs were outside any possible area of agricultural settlement. The Pastoral Leases Act of 1869 was therefore passed. In regard to new leases it re-enacted many of the provisions of the Act of 1863, such as those relating to the area and stocking of the runs, but it increased the term of the existing leases to twenty-one years, and allowed a renewal for fourteen, instead of five years. Generous treatment was also accorded to existing leaseholders. Leases still current, which had been obtained under the Orders in Council, could be surrendered for twenty-one year leases, dating from 1st July 1869. The rent for the first seven years was to be the same as that payable during the last seven years of the old lease,

increasing by 10 per cent in each subsequent period of seven years. Leases, which had been obtained under any previous Queensland Act, could also be surrendered for twenty-one year leases, the rental for the first seven years being that which would be payable under the surrendered lease on 30th September 1869 ; for each subsequent period of seven years an increase of 10 per cent was to be paid. Land applied for and leased for the first time was to be let at a yearly rent of 5s. per square mile for the first seven years, and at 10s. and 15s. per square mile for the two following periods ; if, however, the land applied for was unwatered it might be let at 3s. per square mile for the first period. Leaseholders were given a right of pre-emption over 2560 acres of their runs at 10s. per acre ; while the Government reserved to itself the right to resume at any time such land as it might require for purposes of settlement, the lessee being entitled to compensation for the improvements within the resumed area. At the expiration of a lease, or on its cancellation by reason of non-payment of rent, the law required that the run should be exposed for auction, at an upset rent not less than that required to be paid when the previous lease fell in.

The provisions of the Act of 1869 were much more favourable to pastoral lessees than the legislation which it superseded. Nevertheless there was no increase in the pastoral area occupied in the unsettled districts ; indeed during 1869 and 1870 there was a considerable reduction in the total area. In 1869, 469 separate runs comprising about 22,000 square miles were forfeited for non-payment of rent, and in 1870, 314 runs of an area of about 15,000 square miles were forfeited for a like reason. There were at the same time extensive resumptions of land in the settled districts, so that whereas in 1869 the area under lease had been about 268,600 square miles, in 1870 it had fallen to 164,000 square miles.

Many attempts were made to re-let the forfeited runs, but the requirement of the law, that runs, which had been occupied, could only be re-let by auction at a minimum

upset price determined by the rent demanded at the time of forfeiture, prevented offers being received for them. Fifty runs were offered at auction in June 1870, of which only 18 found purchasers, and in the following January only 21 runs were taken out of 104 offered. The runs brought to auction were the best of those vacant. There were between 600 and 700 not offered, because it was thought most unlikely that they would find purchasers. Persons who thought of securing to themselves a run in the unsettled country, preferred to take up land previously unoccupied, as such land could be obtained on much easier terms than forfeited runs, and ultimately the Legislature adopted the suggestion of the Chief Commissioner of Lands and allowed the runs already forfeited in the outlying districts to be taken up on the same terms as new runs.

SOUTH AUSTRALIA

At the beginning of this period the Crown lands of South Australia were administered under the Waste Lands Act of 1857, and the Act and its administration were on the whole satisfactory, alike to the farmers and to persons engaged in pastoral pursuits. But there were forces at work, some in the Province itself and some external to it, which altered the attitude of these classes both to the law and to one another, and brought about important changes in the administration of the public estate.

The explorations of Stuart, M'Kinley, and others produced a profound impression, not only in South Australia but throughout the other colonies, and there was a great desire to follow up these explorations by actual occupation. To gratify this the Government relaxed the regulations of 1858, to the extent of exempting runs taken up beyond certain limits, from the assessment of 2d. a year payable for every sheep they were presumed to be able to carry. This encouraged stock-holders to take up runs in the district which became known as the "far North," a rather confusing term, seeing that it was applied to the country lying south

of the Northern Territory, and between that territory and the occupied parts of South Australia proper. Stimulated by this concession, there was a very rapid extension of pastoral holdings. The new lands were stocked rapidly, as the law required them to be, and in 1863 and 1864 the prospects of the pastoral tenants seemed fair enough.

In the older settled districts the first leases, granted in 1851, fell due in 1865. Under the terms of the arrangement which had been come to in 1858, the lessees were entitled to a renewal for five years, the rent for the extended period being fixed by valuation. In 1864, Goyder, the Surveyor-General, was appointed to survey and value these runs. His valuations were made carefully and conscientiously, but were undertaken after a period of great prosperity, when all the runs were fully stocked and looking well, and when every circumstance naturally led him to take an optimistic view of the future of the pastoral industry. The valuations were made in batches, the first of these being published in September 1864, and showed very considerable increases in the rents payable for the extension of the leases. In some instances the increases were enormous: a run for which the occupier had hitherto paid £396 a year was valued for the extension at £4200; another, for which £909 a year was paid, was valued at £7800. As it chanced, the first instalment of the valuations included the best runs in the Province, and it was proved later on, when other valuations were made public, that where the runs possessed no extraordinary advantages, no sensational increases of rent were made. But this was not known when the first valuations appeared, and public opinion was strongly against them. The squatters protested vigorously against the valuations themselves and against the arbitrary manner in which they believed them to have been made, but, as is the common experience in such cases, their anger was more vehement than their grievance warranted.

Up to this time the relations between the squatters and the rest of the community had been far better in South

Australia than in any other colony, although a certain amount of dissatisfaction had arisen in the years 1862-64. The farmers were doing well, and in order to extend their holdings the law permitted them to demand that land suitable to their requirements should be offered for sale at auction. Much of this land was included in the squattages, and in the auction room it was found that the squatters were generally able to outbid the agriculturists, especially as the improvements on the land belonged to the squatters and had to be paid for by the purchasers. Very few farmers were able to satisfy their legitimate requirements for an extension of their holdings, and thus the relations between the two classes grew embittered. When the public at large had had further time to consider the valuations, it also withdrew its sympathy from the squatters, who were deemed to have had the enjoyment of their holdings for many years at much below the proper rental, and were endeavouring to obtain a perpetuation of this advantage to the public detriment. There was consequently a popular demand that the Goyder valuations should be enforced in their entirety and without appeal. The Government showed some hesitation in coming to a decision, and this gave an opportunity for the anti-squatting party to set up a loud clamour against the continuance of land monopoly. Eventually the Government was driven to declare itself in favour of the enforcement of the assessments of its Surveyor-General. Meanwhile the pastoral situation had greatly changed. The close of the year 1864 was marked by a severe drought, which continued throughout the whole of 1865. In the districts to the north of Port Augusta the drought was felt in its full intensity. In many parts the land was not merely denuded of pasture, but the top soil was blown away by the hot winds, and the bare rock exposed; in short, large portions of the country were reduced to the condition of a desert. In the face of this appalling disaster the outcry against the squatters ceased, and the Government even announced its intention of doing something to help them. Early in

1866, when it was once more possible to obtain returns of stock from the northern runs, it was found that during the two years no lambs had been reared, and the sheep depastured in the district had been reduced from 455,085, their number in January 1864, to 133,179. In January 1867 a Committee of the Legislative Assembly was appointed "to inquire into and report upon the state and condition of the Waste Lands of the Crown let for pastoral purposes, which have been and still are suffering from the drought." This committee recommended a remission of rents, a considerable extension of the term of the leases in the country affected by the drought, in order that the squatters should have an inducement to make permanent improvements, which would mitigate the effects of future dry seasons, and that rents in these districts should depend upon the stock actually depastured, and not upon the assumed carrying capacity of the runs. The suggestions of the committee were embodied in the Pastoral Leases Act of 1867, which divided the country lying to the north, north-east, and west of Port Augusta into three districts, A, B, and C, according to their estimated rainfall. In district A the lands were to be leased for fourteen years at an annual rental of 3s. per head of great cattle or 6d. per head of sheep actually depastured; in district B the leases were to be for twenty-one years, at a rental of 2s. per head of cattle and 4d. per sheep; in district C the leases were also for twenty-one years, and the rentals, 1s. for cattle and 2d. per sheep. In order that the runs should not be left unoccupied by the lessees a minimum rent of 20s. per square mile was placed on holdings in district A, and 8s. 6d. and 2s. 6d. in B and C respectively. The right of renewal was not given to the lessees, but existing leases could be surrendered for other leases under the new conditions.

In other parts of the Province the tenure of the pastoral holdings was not altered and Goyder's valuations were enforced. These valuations were moderated to some extent, and when the complete list was published they

were found to involve much less remarkable increases of rent than the first batch had shown; they were then accepted with little further discussion.

Many squatters became bankrupt in 1866 and 1867. They had borrowed very largely from the banks and, when the financial difficulties arose, were not able to meet their engagements. They were therefore compelled to forfeit their holdings, and thus in not a few cases the enhanced rents under the new valuations were never paid. In any case the spread of agriculture tended to drive the squatters from the older settled districts, and even where a man had secured the safety of his holding by judicious purchases at auction, he usually found it more profitable to abandon grazing and let his land for agricultural purposes. In this way there grew up in the Province a class of tenant farmers, holding from private landlords to an extent which never existed in New South Wales or Victoria.

The farming class not only resented the superior advantages which they thought the squatters possessed, but were greatly dissatisfied with the method of selling Crown land then in vogue, which was considered both tedious and uncertain. It almost invariably happened that, after a requisition was received by the authorities for the sale of certain lands, a long time was allowed to elapse before the lands were put up to auction, and as often as not the person who had obtained the sale failed to secure the land he sought. In 1865 a Select Committee of the Legislative Assembly was appointed to inquire into the working of the system. It reported that the auction sales were often rendered unfair by collusion, and that there was a good deal of blackmail levied by "land agents," from which both squatters and farmers suffered. The committee did not advise any great change in the law, but it suggested that steps ought to be taken to free the sales from these objectionable features, and it advised also that the land should be surveyed and offered for sale in larger sections in order that purchasers might have land enough to combine grazing with agriculture. No steps were

taken to act on these recommendations, mainly because the change of feeling with regard to the squatters, which took place about that time, affected the whole attitude of Parliament towards the land question, and it was not until the adverse seasons for farming began in 1867 that the demand for a radical change in the system of land sales was put forward. During the years 1867-69 the crops were very poor, and the prices obtained gave inadequate compensation to the farmers for their labour and outlay. It is true that the failure of the crops was due in some measure to bad husbandry; but the farmers justly contended that nothing but bad husbandry could be expected under the then existing regulations.

In the early days of South Australia the 80-acre farm was the generally accepted holding for the small farmer, and this area was almost invariably given up to the cultivation of wheat. The land was worked in the way which required the least possible outlay of capital. Very little, if any, manuring was done; the ground was lightly ploughed, and wheat was sown year after year with scarcely a fallowing. The census returns in 1861 and in 1866 showed that the number of farm servants was practically the same as the number of farmers; and on the small holdings the farmer and his family did all the cultivation except at harvest, when, with one or two extra men and the use of Ridley's harvester, the crop was secured in the minimum of time. The evils of this system grew more apparent every year. It was recognized that larger holdings would permit of mixed farming and a proper rotation of crops; they would provide continuous employment for farm labourers, and make the final profit less dependent on the wheat market. Again, the neighbouring colonies had adopted very liberal systems of land purchase, and many persons, not only recently-arrived immigrants, but old-established settlers, were leaving the Province to obtain the more favourable conditions prevailing elsewhere. The steady drain on the population, which became apparent in 1867, not unnaturally created much alarm, and in 1868

the Government made inquiries from the district councils as to the extent to which the emigration of farmers was taking place. The result of the inquiries was far from reassuring.

During 1867 and 1868 meetings were held in different parts of South Australia to advocate land reform, the chief demand being for the removal of abuses from the existing system, but at some meetings the sale of land on credit was advocated. The leading politicians in the Province realized the need for immediate reform, and determined to liberalize their land system before there arose among the people a demand for free selection as it existed in the neighbouring colonies, to which they were, as a rule, greatly opposed. Towards the close of 1868, Strangways brought in a Bill which embodied the principle of selling country lands on credit, a principle until then unknown in South Australia. The measure became law in January 1869, and provided that land should still be offered for sale at auction, but that the purchaser might declare that he would buy on credit. In such a case he was required to pay 20 per cent of the purchase money, which was accepted as representing the payment in advance of four years' interest upon that sum. At the expiration of four years the whole purchase money became due, and if paid the deed of grant was issued. Country land, which had passed through the saleroom, could likewise be purchased at the upset price and on the same terms as lands purchased at auction. The Act also declared that agricultural areas should be set apart, consisting of the best agricultural land in the colony, and that within these areas the land should be open to selection by credit purchasers at the upset price. This price was to be fixed by the surveyors, and was to be at first the upset price of the best land in the area; and as lots were sold the price was to be reduced gradually, though not below the minimum of £1 per acre. After the land had been exposed for credit purchase at the minimum price for a certain period, it was to be thrown open for general sale. No purchaser

was to buy on credit more than 640 acres, and every purchase was to be all in one block. Credit purchasers were required to occupy their land within six months of its selection, and to reside upon it continuously after the first twelve months until the purchase was completed. They were also required to make substantial and permanent improvements of the value of 5s. per acre in the first year, and of 2s. 6d. per acre in each of the three following years.

The Act was framed to encourage small capitalists to take up farming and grazing, while leaving them the use of the bulk of their capital to develop their land during the first few unproductive years; and under it, what was a matter of some importance at that time, the Government was not required to collect small annual payments.

The public was somewhat slow to avail itself of the credit system in making purchases of land at auction, and though in 1869 five agricultural areas were made available for selection, very few selections were made in them except at Narracoorte in the south-eastern district; but before the year closed selection had begun in the other places, and a demand for additional areas also arose, so that at the end of 1871 seventeen agricultural areas had been declared open for selection, including about 1200 square miles of country, and more than 263,000 acres had been selected within them.

The Strangways Act met with general approval, and it was sympathetically administered, but the effects that were expected to flow from it were not realized. It did not induce any marked immigration of farmers, either from Europe or from other Australian colonies, and though there was, as we have seen, a good demand for land, the purchasers were South Australians. The residence clause was objected to, as a hardship on men who wished to acquire land on the credit system, but could not leave their old farms to reside on their newly acquired properties. The obligation of residence was, however, considered necessary in order to prevent dummying, which, even as it was, could not be altogether avoided, as the cultivation

of any portion of the area purchased was not made obligatory, and thus much of the land bought on credit was acquired, directly or indirectly, by squatters and not by farmers.

The Act of 1869 was not regarded as the final expression of the views of the Legislature in regard to land settlement ; so far indeed was this from being true that a large portion of the sessions of 1870 and 1871 was consumed in attempts to amend it. At last, in August 1872, a comprehensive Waste Lands Act was passed, repealing previous legislation on the subject, including Strangways' Act, and re-enacting without any real change the principles of that measure. The sale of land was confined to the area within the limits of Goyder's rainfall line, the whole of the Province within those limits being declared an agricultural area. All country lands therein included were therefore open for selection, by credit purchasers, as soon as they were surveyed, and remained open for selection by such purchasers for one year. At the end of that period the land was to be offered at auction, if it remained unsold. Credit sales were to be made at a price between £2 and £1 per acre, and the reduction of land, from the maximum to the minimum price, was made more rapid than under the repealed Act. Credit was also given for a longer period. Purchasers were to pay 10 per cent of the purchase price at once, instead of 20 per cent as required under the former Act. This payment was taken to represent three years' interest in advance ; a like amount was to be paid at the end of three years, also as interest, and the whole of the purchase money at the end of six years. In the event of further credit being required, it could be given to the extent of half the purchase money and for a period of four years, provided interest at 4 per cent were paid on the balance outstanding. This extension of the credit period to six years was made partly in the vain hope that it would prevent dummying. Cultivation of a certain proportion of the land was required, but substituted residence by a bailiff was allowed. In cases where the purchaser occupied

the land he could, if he had cultivated such land to the extent required and fulfilled the other conditions, purchase it finally at the end of three years; but persons who occupied by a bailiff were not allowed to do so.

During the three years following the introduction of credit sales (1869-72) three-quarters of a million acres of land were taken up on credit. It is claimed that the system of alienation adopted by South Australia had the merit of promoting cultivation to a greater extent than the systems adopted in any of the other colonies, and an examination of the cultivation figures certainly bears out this view. In 1863 the area cultivated, including fallow land, was 556,000 acres; in 1868 it had risen to 808,000 acres, and in 1872 to 1,165,000 acres, of which 760,000 acres were under wheat. The improvement of the land also went on apace, a conclusion that might well be inferred from the circumstance that in 1863 only about two million acres were enclosed, while in 1872 the area was fifteen millions. There is, however, other ample evidence that the Acts of 1869 and 1872 substantially fulfilled the intentions of their authors.

The Northern Territory was formally declared to be a part of the Province of South Australia in September 1863. The Government at once drew up a scheme for its colonization, which was framed largely on the lines followed when the Province itself was founded. The Act provided for the sale of 125,000 acres of land at 7s. 6d. per acre and an equal quantity to follow at 12s. per acre. These areas were to include rural land only, divided into sections of 160 acres each. Besides these areas 1562 town lots, of half an acre each, were to be surveyed in the proposed township at Port Darwin, and it was arranged that the purchaser of a block of 160 acres of rural land would be entitled to receive without payment one allotment of town land. As in the case of South Australia proper, the "preliminary land orders" were offered for sale before the country was surveyed, and purchasers were permitted to exercise their choice of allot-

ment at any time within five years of their obtaining a land order.

The Government opened offices for the sale of these land orders both in London and in Adelaide. Very sanguine hopes were formed of the prospects of the new territory, and in London, even more than in Adelaide, there was great eagerness to take up lots. A company was formed in London with the object of acquiring land, and as a first step made a purchase of 25,000 acres. The South Australian Government lost no time in sending a party of surveyors to lay out the proposed town and mark off the sections for settlers; but it was unfortunate in its choice of officers, as, at the end of 1864, practically nothing of value had been accomplished. The site chosen for the chief town was regarded as so unsuitable that there was a general desire, on the part of persons who were acquainted with the district, that the Government should not confirm the selection until the country had been more fully examined. Finnis, who had been in charge of the expedition to open up the territory, returned to Adelaide in February 1866; a Commission was appointed to inquire into his administration, and the work of surveying was practically suspended. In 1868 the Government passed an Act, extending the period allowed to it for the survey of original holdings which had been disposed of, and incidentally to protect itself from the consequences of its own delay. Towards the close of 1868 Goyder was sent to make the necessary surveys; he returned to Adelaide during the following year, having completed his task, and evidently very favourably impressed with the capabilities of the country.

Meantime the English land order holders had become very impatient, and many of them demanded that, as they had not been able to choose their allotments within the five years originally specified, their money should be returned to them. The North Australian Company, whose purchase of 25,000 acres has been referred to, sued for the return of its money, and the Court gave a decision in its

favour, notwithstanding the recent Act which extended the period allowed for the surveys. The Government was compelled to repay to all claimants the money paid by them, and also to allow them interest for the time such money had remained in its hands.

The first ballot for land in the Northern Territory was held in May 1870, and some little progress was made in opening up the country, the best settlers being those who came over from Queensland with their stock.

At the end of 1872 gold reefs were discovered in the Territory, and for a short time there were hopes of a rapid increase of population and wealth. In January 1873 new land regulations were issued. All country lands, after survey, were to be offered for sale at 7s. 6d. per acre, and purchasers were able to buy on credit. The land was to be surveyed and offered for sale in lots not exceeding 640 acres, but any one could obtain a "special survey" of one or more blocks of 10,000 acres by paying the cost of the survey, which was not to exceed 1s. an acre, the price per acre for a large block being otherwise the same as for a small one. Sales of town, suburban, and special country lots at auction were continued; in fact the regulations were an application of the land law in force in South Australia itself, but with a lower minimum price. It was thought that as large areas in the Territory were suitable for the cultivation of rice, sugar-cane, coffee, tea, tobacco, and cotton, and if special inducements were offered, the cultivation of some of these crops might be attempted with success; it was therefore provided that persons undertaking such cultivation could obtain blocks, of 320 to 1180 acres, by paying 6d. an acre for five years. But neither these concessions nor the discoveries of gold were able to secure any satisfactory settlement of the country. As late as 1876 the area of land alienated in the Northern Territory was about 270,000 acres, and the white population was not more than 2000.

WESTERN AUSTRALIA

Some important alterations were made in the land regulations during 1864, which had the effect of giving the lessees of land in Class B under the regulations of April 1860 a preferential claim to the renewal of their leases and of improving the terms upon which tillage leases were held. Encouragement was also given to persons desirous of carrying out the exploration of mineral lands.

In March 1864 an expedition, organized by the Government to explore the country in the neighbourhood of the Glenelg River, made the important discovery of about five and a half million acres of excellent grazing land, which it was considered would carry more than three million sheep. This land was at once made available for settlement, and in order to encourage immediate occupation the minimum price of a certain portion of it was reduced during twelve months to 7s. 6d. per acre. The discovery of these new pastures helped to precipitate the decision of the British Government to stop transportation to Western Australia, for it was obviously impossible to expect that there could be any efficient supervision over convict labour, if it were introduced into territories so vast and so remote from effective Government. The Roebuck Bay Pastoral and Agricultural Association was formed to develop this new country, and, considering the condition of Western Australia at the time, fairly good progress may be said to have been made. Efficient white labour was practically unprocurable in such a district, and in its place aboriginal natives were employed.

The revision of the land regulations in 1864 had brought no increase of settlement, and now that transportation had come to an end the governing authorities considered that, if the land laws of the colony were assimilated more nearly to those in force in the other colonies, Western Australia might secure some share of the stream of population that now passed it by.

In 1871 the Legislative Council appointed a select

committee to consider the alterations that it would be desirable to make in the land laws, and in the following year, the committee having completed its work, new regulations were issued by the Governor. These provided for the appointment of a Commissioner of Crown Lands and a Surveyor-General, and introduced many radical changes in the method of dealing with the public estate. The tillage lease system was swept away, saving for the rights of existing lessees, and the system of sale at a minimum price became the sole method by which land could be acquired. Any person could select for purchase any portion of land, not less than 40 acres in area, and selection could be made before survey, the minimum price being 10s. an acre. Town and suburban lands were to be sold by auction at a minimum price fixed by the Governor in Council. Agricultural land could also be sold by auction. It was further provided that areas of agricultural land should be surveyed and made available for "special occupation." Within these areas land could be purchased by deferred payments in blocks of 100 to 500 acres. For these blocks the purchaser paid 1s. per acre yearly for the first three years, and during that period he was required to fence his holding and bring at least one-fourth of it under cultivation. At the expiration of the three years he could, if he desired, pay off the balance of the purchase money or he could go on making yearly payments of 1s. an acre until the whole amount had been paid. Good land had been discovered in the northern and eastern districts, and in order to secure the immediate development of this land the minimum price in these districts was reduced for twelve months to 7s. 6d. per acre. With a view to attracting settlers from the United Kingdom, the new regulations provided that to every person paying for his own passage to the colony, who settled on lands set apart for special occupation and fulfilled the conditions required, a remission of price equal to his passage money should be given. To volunteers and enrolled pensioners sent out from the United Kingdom free grants of land were to be made.

It was recognized that the previous land regulations had placed such restrictions on the working of mineral lands as to make it almost impossible to develop them. Under the new regulations a reduction was made in the fee for prospecting licences, the terms of mineral leases were extended, and the holders of mineral leases, other than such as were auriferous, were given the right to purchase land at £3 an acre, provided they could show that they had sufficient capital to work their holdings.

The pastoral lands were divided into three classes : the first class comprised lands in the south-west district ; the second, all other lands except those in the north-eastern district, which were constituted a third class. The rental payable for first-class land was £1 per 1000 acres, for second-class, 10s., and for third, 5s. for the first four years and 10s. thereafter. Land could be taken on yearly licence in blocks of 1000 acres, or on lease for fourteen years in blocks of not less than 10,000 acres. The lessee was given a pre-emptive right of purchase of 1 per cent of his holding ; otherwise land under lease could be purchased by any one who required it, but in such case the lessee was entitled to receive from the purchaser the estimated value of his improvements. Much land in Western Australia was infested by poisonous herbs ; any pastoral land of this kind could be obtained on lease for twenty-one years, and if it were enclosed and the poisonous plants eradicated, the lessee was entitled to claim a grant in fee-simple.

There was a decided increase of land under tillage during the period. The acreage under wheat rose from 13,769 acres in 1862 to 31,619 acres in 1872 ; there was also a very satisfactory increase in hay and green crops ; and the total area under crop of all kinds was 53,240 acres in 1872, as compared with 28,059 in 1862.

The pastoral industry showed a great expansion. The number of sheep in the colony increased from 295,666 in 1862 to 688,290 in 1872 ; in horned cattle the rate of increase was not so great, as the number in 1862 was 36,887

as compared with 44,550 in 1872. There was an increase in the number of horses from 12,099 to 25,263, and a profitable trade had been opened with India.

TASMANIA

In Tasmania, as in the other Australian colonies, the period was one of experimental land legislation. A new Land Act, which repealed previous Acts, was passed in 1863, and amending Acts were passed in 1864, 1865, 1867, and 1868. The Act of 1863 divided the land into three divisions: (*a*) town land, which included the land in all townships and villages and all land within five miles of Hobart or Launceston; (*b*) agricultural land, being such land as might from time to time be declared suitable for agriculture, and (*c*) pastoral lands, which term covered the whole remaining Crown land of the colony.

The Act maintained the system of sale by auction at an upset price for all classes of land, and prescribed it as the only method of sale for town lands in Hobart and Launceston and their vicinity. In the case of other lands, sale by private contract was permitted, but only after such lands had been exposed for auction without being purchased. In such case any one who desired to do so could purchase the land, for the minimum upset price at which it had been offered. Agricultural land was to be offered for sale in blocks not exceeding 320 acres, and pastoral land in blocks not exceeding 1280 acres. For land which had never been let under a grazing licence, the lowest price at which it could be offered was fixed at 5s. per acre (this was subsequently altered to 10s.); in all other cases the minimum price was £1 per acre. But once land had been exposed for auction, if it remained unsold, the upset price could be reduced at subsequent auctions as low as 5s. per acre. In addition to this sale by private contract of land which had been offered for auction, the Act provided that any person might select from the unoccupied country lands of the Crown, which were not reserved or advertised

for sale, an area not exceeding 320 acres, to be in one block or comprised within adjacent lots of not less than 40 acres. This land might be selected before survey, it was to be sold at the fixed price of £1 per acre, and in order to prevent dummyming only 320 acres could be obtained in this way by one person.

Persons who purchased land, whether at auction or by private contract, were allowed credit if they so desired. Where credit was asked for, 20 per cent was added to the price of the land; one-fifth of this enhanced amount was payable at the time of purchase and the remainder in eight equal yearly instalments. Land bought in this way could not be alienated until the whole of the purchase money had been paid. The Act made provision for the leasing of land for pastoral purposes. Such lands were to be offered at auction for a term not exceeding fourteen years, at a minimum rent of 10s. per 100 acres, unless the land had previously been let under a depasturing licence, in which case the minimum rent was to be £1 per 100 acres. Pastoral land which had never been previously occupied could be let in blocks of 500 to 2560 acres, at a rent of £1 per 1000 acres, and land could be let also on yearly licence for pastoral or agricultural purposes.

The Act also provided that special agricultural areas might be made. These areas were to be divided into blocks not exceeding 160 acres, and the blocks offered at public auction on lease for twenty years, at a minimum upset rent of 1s. an acre. The purchaser was required to reside on his block and cultivate it, and, these conditions being fulfilled, at the termination of the lease the land became his without any further payment.

Certain portions of the western lands of the colony, which had never been occupied and which were termed "unsettled lands," were treated separately. They might be granted without payment in blocks of 50 to 1000 acres to persons who were able to show that they possessed £1 of capital for each acre of land they desired to acquire. Persons taking up such land were required to reside on it

for five years, during which time they were to fence and cultivate one-tenth of it and to erect buildings of the value of £5 per acre. If these conditions were fulfilled, a grant of the land in fee-simple was to be made to them. Land in the same districts could be leased gratuitously for a term of ten years; in this case the lessee was required to stock it, and failure to do so gave the Crown the right of re-entry.

The aim of the Act was to extend settlement, and, the better to ensure this, it was provided that one-fourth of the land revenue accruing from the beginning of the year 1864 should be applied to the construction of roads, jetties, wharves, and works of a like kind. As the proper and economical expenditure of the money was greatly desired, the Government agreed to subsidize the road districts to the extent of half the money raised by them for constructive purposes.

The first few years of the period were a very trying time for agriculturists, and many of the purchasers under the new Act soon found themselves in difficulties. Much of the new land selected was very heavily wooded, and, as there was a great decline in the demand for timber, the new settlers frequently experienced considerable difficulty in paying for the labour of clearing. This, combined with the drought of 1865 and the low price of agricultural produce in 1867, caused many of the credit purchasers to fall into arrears with their payments, the penalty for which was forfeiture of their land. Even so early as July 1866, the Governor said, in opening Parliament: "The practical working of that portion of our land policy which permitted land to be sold upon credit . . . has been a subject of serious consideration. In very many instances the apparent liberality of the Waste Lands Act has induced persons to enter into contracts which, if enforced, would be ruinous to them, and would entirely defeat the intentions of the legislature." During 1867 a select committee took evidence as to the state of affairs in regard to land purchases. It found that, in addition to the difficulties

already mentioned from which the farmers were suffering, the money set apart for the construction of roads had been very badly used. Very few new roads had been made, as the money had been applied to the maintenance of existing roads, with the result that in the unsettled parts of the colony selectors frequently had no road whatever to their holdings, and could not get their produce to market.

The committee made several recommendations, and in 1868 these were embodied in an amending Act, the fourth since the original one of 1863. The principal amendments were that credit purchasers were permitted to purchase lots, not exceeding 100 acres in area, by payments extending over fourteen years; the price of such lots was to be the price of the land for immediate sale with one-third added. One-half of the purchase money was to be applied to the construction of roads in the vicinity of the land purchased, and, to prevent delay, the money was to be raised in the first instance by debentures secured on the Land Fund, to an extent not exceeding one-half the purchase money. The Government was allowed to use its discretion as to the way in which it would deal with credit purchasers, who were in default previous to the passing of the amending Act. By an Act passed in 1866, the terms of leases in the agricultural areas had been changed, so that lessees were required to pay 6d. per acre for the first three years, 1s. per acre for the next two years, and 2s. per acre for the remaining fifteen years, but the right was given them to purchase their land at £1 per acre at any time during the lease.

In 1869 another committee on the Waste Lands Act was appointed. It advised the consolidation of the existing Acts and the cessation of purchase by private contract of pastoral lands, but it suggested no vital changes. Agreeably with this recommendation, an Act was passed in 1870 consolidating the law, and this remained in force during the rest of the period.

Owing to the defective character of the returns relating to land transactions in Tasmania, it is impossible to say

what was the effect of the Act of 1863 on pastoral holdings, but it is known that in 1867 the total area leased was about 738,000 acres. From 1868 to 1870 the pastoral industry suffered severely from the prevalence of fluke, a disease due to lack of drainage; this caused certain grazing lands to be abandoned, and in 1870 the area leased had shrunk to 526,000 acres. After 1870 the pastoral industry was followed with greater intelligence, drainage was undertaken, and stock was improved, so that in 1872 the area leased had begun to increase and exceeded 600,000 acres.

The Government anticipated that the Act of 1863 would yield a good revenue from land sales. In this it was disappointed. There was an immediate increase of revenue after the passing of the Act, and from £69,053 in 1863 the revenue rose to £93,511 in 1864 and £71,617 in 1865; from this it declined, and in 1871 the total had dropped to £35,514. The experimental land legislation of Tasmania during this period cannot be said to have added appreciably to the settlement of its waste lands; the most that can be said for it is that it had not the effect of blocking settlement and at the same time allowing the public estate to be recklessly parted with, as happened in some of the other colonies.

V

LABOUR AND WAGES

NEW SOUTH WALES

As we have seen, there was considerable reluctance on the part of the wage-earners throughout Australia to consent to the lowering and adjustment of wages, which became inevitable after the passing of the gold period. There was everywhere no little uncertainty as to what should be recognized as a standard wage, and wage-earners had to face a disposition on the part of a large section of employers, to force a return to the conditions existing prior to the gold discoveries. In Sydney and in the other towns of New South Wales the average wages of mechanics began to settle down to about 8s. 6d. per day, bricklayers being the best paid class with 9s., while unskilled labourers generally obtained 5s. per day. Agricultural labourers and shepherds were usually paid from £30 to £35 a year with rations and hut accommodation, and married couples hired as farm servants from £45 to £60. In Sydney there was some want of employment at the beginning of the period, and during the latter part of 1862 the country districts were also affected. The summer of 1862-63 was marked by an almost entire absence of rain, but when the drought broke in March 1863 employment both in town and country showed a tendency to improve and country wages to rise. This improvement lasted until the continuous heavy rains brought on floods in almost every part of the colony, which did not abate until after August.

Naturally the flood conditions were attended with a good deal of unemployment, and as immigrants were at this time arriving from England in considerable numbers, there was soon a decided depression in the labour market. In October the unemployment amongst mechanics and predial labourers had become very marked, and even the supply of domestic servants was excessive. These conditions prevailed throughout the whole of the year 1864. The floods of 1863 had been succeeded by a period of deficient rainfall which became a veritable drought towards the close of 1864, during which the working classes suffered severely by reason of the irregularity of their employment, the decline in wages and the increased price of most descriptions of food. In May 1865 the wages of persons employed on stations and farms were about £5 a year less than in the preceding year as the following statement shows :

	Per annum.
Married farm servants	£40 to £50
Gardeners, labourers, and ploughmen	25 „ 30
Shepherds and stockmen	25 „ 30
Rough carpenters	35 „ 40
Blacksmiths	50 „ 70

The wages of women servants also were lower : general servants, cooks, and laundresses obtained from £20 to £30 a year, while inexperienced servants were usually paid £15 to £20.

In October 1865 a deputation of the Sydney unemployed waited on Arnold, the Minister for Works, and asked the Government to put in hand various public works then contemplated in order to provide employment ; the deputation also asked that assisted immigration should be discontinued. The Minister replied that the Government had no money for public works ; at the same time he promised to use his influence with Government contractors to engage additional labour, wherever that was possible ; but he would not interfere to stop immigration, as he did not consider that its cessation would cause less unemployment. The working classes of Sydney were beginning to

feel very strongly opposed to all forms of assisted immigration, and the member of the deputation who informed Arnold that he regarded persons who sent for their relatives, in the existing state of the labour market, as "unprincipled ruffians," merely voiced the general sentiment of the majority of his fellows. There was fortunately no accession to the ranks of the unemployed from the country districts, for although the harvest of 1865-66 was very poor the demand for country workers remained fairly good and their average wages showed a slight improvement, as the subjoined quotations for January and February 1866 indicate. In addition to the money wages there were the customary allowances of rations and hut accommodation :

	Per annum.
Married farm and domestic servants .	£45 to £50
Farm and garden labourers	28 „ 32
Ploughmen	30 „ 35
Stockmen and shepherds	30 „ 35
Country carpenters and blacksmiths .	50 „ 80

As the year 1866 advanced the conditions of all classes of labour grew steadily worse. In the towns, especially in Sydney, there were large numbers of men without employment, amongst whom were not only mechanics and labourers, but also clerks and others who had been deprived of their employment by the commercial depression which was now fairly general. In March the demand for country labour ceased, and during the months that followed there was a daily augmentation of the numbers of the unemployed. Meanwhile assisted immigration was going on, and as the agricultural labourers and domestic servants thus brought in were willing to accept lower rates of wages than those ordinarily demanded, they usually found employment fairly soon, displacing an equal number of experienced colonial workers.

After Christmas 1865 meetings of the unemployed in Sydney became frequent, and the demand for the opening of public works more insistent. In February 1866 the Mayor of Sydney declared that "the poverty was so great

that he thought of relieving the people with flour, meat, etc." As the year went on the distress increased. Trade was bad, and the tidings of the English financial panic, which reached Sydney in June, added to the gloom in commercial circles; this was deepened by the misfortunes of Queensland, in which colony a large amount of New South Wales capital was employed. In July the lamentable spectacle might be seen everywhere of large numbers of able-bodied men tramping about the country in a vain search for work, and the hardship of their situation was greatly aggravated later on, when the entire stoppage of public and private works in Queensland brought throngs of unemployed overland from that colony.

In October 1866 a deputation from the workless once more asked the Minister for Works to find employment for them. In reply he asked for a list setting out the names of those who were in need of work, and in three days the deputation made out a list of 2230 persons. The existence of a great amount of unemployment was obvious to all, but the Minister, in asking for names, thought he might discover amongst them those of a large number of loafers and unemployables. The list was passed on to the police for verification, and though some of the persons enumerated were not found, and others were not in want of employment, the police reported in favour of the genuine character of the document, and added that in the course of the inquiries they had come upon numbers of men without employment whose names were not in the list. The Government was, in fact, not unsympathetic, but its resources were limited; and there was always a hope that something, in the shape of a gold rush, might turn up to draw off the unemployed. But nothing happened to relieve the situation. Frequent public meetings of the unemployed continued to be held, and various petitions were presented to the Legislative Assembly praying for help. Towards the end of October John Sutherland, who represented a Sydney suburban constituency containing a large working-class element, moved that "the persons who were suffering distress from

want of employment should be occupied on public works." This motion was agreed to, and numbers of men were employed at once at Haslem's Creek, some few miles out of Sydney, in clearing and trenching a large area of land to be used as a cemetery. A committee was subsequently appointed to investigate the distress existing among the working classes, and it made a report early in December. The committee estimated the number of men without employment in Sydney at 3000, and stated that distress existed "to an extent never before experienced in this city." This distress was not confined to the ordinary or unskilled labourer, but a large number of mechanics and artisans were also involved. The principal trades which were represented before the committee were the cabinet-makers and the leather trades. The masons, carpenters, and engineers had refused to take any part in petitioning for relief works, as their members declined to accept work at any but their own trades. It is true that they were just as much affected by the financial depression as were the other trades or the unskilled labourers, but they were not without hope that a revival of trade was not far distant. Meanwhile they had their own unions to help them.

The committee was not content with having made an estimate of the extent of the distress that existed, it heard evidence as to its cause and the remedies which might be applied to prevent its recurrence. The recent success of the Protectionist party in Victoria naturally gave the local manufacturers and their employees food for reflection. The committee was informed that during the gold period imported goods had so largely filled the market and had secured such a hold upon it, that it was difficult for local manufacturers to compete against them. Various pertinent examples in support of this contention were put forward, and, as the committee was composed of persons with strong Protectionist leanings, it is not a matter of surprise that, in its report, it recommended the imposition of protective duties on all kinds of worked timber and furniture, leather goods and ready-made clothing. The report was, however,

not adopted by Parliament, in spite of the fact that a large public meeting was held in Sydney to urge its acceptance, and that numerous petitions supporting the committee were presented to the Legislative Assembly. The committee did not confine its attention to the employment of men, and in its report it pointed out that there was virtually no employment in the colony for women unless they undertook domestic service. To remedy this the establishment of clothing factories and industries of like kind was advocated, the readiest means of securing which would also be the imposition of protective duties.

An endeavour was made to interest the leaders of the trade unions in the work of the parliamentary committee, but they looked to the stoppage of immigration as likely to afford more relief of unemployment than anything that the committee could do. The officials of the Sydney unions put themselves in communication with the English unions, and also wrote to Robert Applegarth a letter which he published in the *London Star* of 20th January 1867. This letter proposed to give to the "amalgamated societies of the United Kingdom" a correct account of "the great depression existing among all classes of skilled and unskilled labour" in the colony. The rates of daily wages were stated in this letter to be :

Carpenters and joiners	.	.	.	9s.
Bricklayers	.	.	.	10s.
Plasterers	.	.	.	9s.
Painters	.	.	.	8s.
Iron trades	.	.	.	5s. to 10s.
Plumbers	.	.	.	10s.
Bricklayers' labourers	.	.	.	8s.
Quarrymen	.	.	.	8s. to 10s.

For piece-work bricklayers were paid 50s. to 60s. per rod and plasterers 6d. to 10d. per rod. Carpenters, joiners, bricklayers, plasterers, and painters worked eight hours a day and the other trades mentioned ten hours. It was also stated that two-thirds of the masons were employed and the same proportion of carpenters, joiners, bricklayers.

and plasterers, but only half of the bricklayers' and plasterers' labourers and about a third of the painters; in the iron trades one man in ten was in regular employment, and the cabinetmakers, french-polishers, and shoemakers were "in a most deplorable condition." The letter added that rents were high, a house of four small rooms in Sydney cost 14s. to 20s. per week, and even in a court or alley a small house cost 10s. to 15s. Certain other necessities, such as vegetables, were also very highly priced. It further went on to say that it was difficult to find employment for children, as no one was willing to take apprentices, and that there was "no sort of industry that young girls can engage in except millinery and dressmaking, which is already overdone, and their pay is down almost to starving point. The wages earned by the head of the family are therefore the only support of a household." They summed up in these words, "the Colony of New South Wales has been getting gradually worse these last seven years, chiefly owing to the great amount of immigration and the falling off in the goldfields, and more so through the great amount of importation of every article we left our own homes to come here to manufacture." The political bias of the last few words is obvious, and at the time there was undoubtedly a strong section of the labouring classes which desired protective duties. But the letter, which was sent to England, and not published in the colony until it was copied from the *London Star*, was not intended for political use. Its object was to stop immigration from England, for though this had been proceeding at a very moderate rate, every penny spent in assisting immigrants was deemed to be expended in bringing competitors to an already overcrowded market. The statement in regard to rents was incorrect, as houses of the kind referred to could be obtained at half the rentals quoted, but otherwise the picture presented by this letter was in a general sense accurate, the wages' rates were as quoted, the amount of unemployment not greatly exaggerated, and the lack of employment for women and children correct.

The letter manifests a curious change of feeling in regard to the employment of women and children. There had always been a strong objection in the colony to the employment of women outside their own homes, and since 1851 it had not been necessary for them to seek such employment, except in domestic service, and even in that service few native-born Australian women were employed. It may therefore be taken as a clear indication of the distressed condition of the labouring classes, that the trade union leaders should discuss the necessity of such employment. That women would have been glad to take employment, suitable to them, was made abundantly clear to the committee on unemployment, but the country was greatly shocked to learn from the committee that women were employed breaking stone at Pennant Hills, in order to support their families.

The year 1867 opened in much the same way as the preceding one : there was a good demand for farming men which lasted until the harvest was gathered, but the call for mechanics and town workers was far below the supply. To relieve the market the Government again offered the unemployed work at Haslem's Creek cemetery. The men were paid at the rate of 5s. per day, and large numbers took advantage of the offer.

In April 1867 the southern districts of New South Wales, especially the south coast, were visited by floods, and in May the Clarence, Hunter, Paterson, and Lower Hawkesbury Rivers rose to great heights over their banks, doing great damage to the maize crops as well as to buildings, fences, and other improvements on the farms ; there were also vast inundations along the course of the northern tributaries of the Darling. In June there were again disastrous floods in the Nepean, Hawkesbury, and Hunter districts, and a Flood Relief Fund was opened to alleviate the great distress which prevailed. This state of affairs put an end to agricultural work over a great part of the colony, and there was in consequence a very large increase in the number of unemployed persons in Sydney, for those

who could not find work in the country flocked at once to the city. The strain on the benevolent institutions had been very great during the year 1866, and after the floods of 1867 the demands for assistance were beyond their capacity to meet. The Benevolent Society of Sydney dealt during the year with the cases of 5880 families, an enormous number, taking into consideration the size of the city. To supplement the work of the Benevolent Society a soup kitchen was opened in October 1867, with funds mainly supplied by private charity, which not only provided food for the destitute, but acted as a free employment registry. The soup kitchen was rather avoided by the better class of unemployed, but was very largely made use of by the loafers and vagabonds of the city, who were glad to have a daily meal without the necessity of having to earn it by work.

As the time of harvest approached there was some demand for agricultural and pastoral labour, but it was by no means as great as the supply. Very dry weather had succeeded the floods, and rust appeared in some districts, completely ruining the wheat crops, there was a shortage of grass in the pastoral districts and the lambing was small.

A large number of men were tramping about the country during the summer of 1867-68, in search of employment, and early in 1868 several thousand men left for the Queensland goldfields, but even this was not enough to relieve the labour market appreciably. There was also some emigration to California, but word was received in Australia that those who went had not realized their expectations, and this soon ceased. There was again so much real destitution in Sydney that the City Night Refuge and Soup Kitchen was reopened. The institution was organized more carefully than in 1867. A free meal was offered to all who applied at noon or afterwards, and any man who cared to remain and undergo a "labour test" could obtain supper, shelter for the night, and breakfast next morning, and could continue to obtain this relief until he found

employment. The greatest distress was naturally amongst married men with families whose cases were not relieved by the soup kitchen, and although these were helped to some extent by the Benevolent Society, there were nevertheless many painful cases of destitution quite untouched by any charitable organization.

In the latter half of 1868 the labour outlook brightened somewhat, employment in the country districts improved very much, and as the harvest approached the demand for agricultural labourers, especially for men recently arrived from England or Scotland, exceeded the supply. There was also a good demand for country mechanics. Ploughmen, stockmen, and shepherds were paid £30 to £35 a year; married couples, £45 to £50; rough carpenters, £35 to £40; general carpenters and blacksmiths, £50 to £70, rations and lodging being provided in each case. The wages of women servants in the colony ranged generally between 7s. and 10s. a week, and the supply at these rates quite equalled the demand.

It was considered in the colony that employment was more general and better paid in 1869 than in any of the four or five preceding years; nevertheless at various times during the year there were large numbers of men both in the towns and the country seeking work and finding it with difficulty. In the country districts there was the usual seasonal demand at harvest time for field labourers and some extension of employment throughout the year, and mechanics could find work at a yearly wage, a mode of employment that was objected to by them and by all trade unionists. In Sydney and the larger towns the system of contracts for labour only was prevalent in the building trades, and the prices obtained for such work yielded wages far below the nominal rates, which continued to be quoted at 8s. or 9s. per day.

In March and April 1870 the colony was visited once more by severe floods, which greatly affected employment, but in June the weather conditions became normal, and persons seeking work in the country districts could usually

find it. In Sydney, however, there was a large number of mechanics out of work as well as of unskilled labourers, clerks, and persons seeking light employment. In April 1870 a Select Committee of the Legislative Assembly presented a report in favour of assisted immigration, and a Bill to promote such immigration was introduced by the Government. This roused the indignation of the unemployed in Sydney, and various meetings of protest were held. On 22nd April a deputation of fifty or more assembled outside the Colonial Secretary's office, of whom two were admitted to an interview with Cowper, then Premier. In anticipation of the coming of such a deputation Cowper had employed the police to inquire into the facts as to unemployment, and they reported that they could find "no evidence of a number of persons being without employment who were able and willing to work." This report the deputation contradicted very emphatically, and alleged that the method of inquiry employed by the police was one which could not elicit the truth. They declared that 2000 persons in Sydney were "in utter destitution and need of employment." Cowper replied that if such were the case several Boards of Road Trustees would willingly engage men at good wages, but the deputation objected that this work would not do for men with families in Sydney. The deputation afterwards went to the Minister for Works, and asked to be given employment on the reclamation of the Blackwattle swamp, a work recently undertaken, but the Government could not be moved from the position it had taken up, and declined to make special work for the unemployed. It is clear that, however much the extent of unemployment was exaggerated by the men, the police report was worthless, as there was a very marked increase in the number of families applying for outdoor relief to the Benevolent Society, and the resources of other charitable agencies were largely overtaxed.

About this time the Governor received from Lord Granville the request already referred to that he would

inform him of the extent to which New South Wales offered a favourable opening for immigrants, and he at once proceeded to obtain from magistrates, employers of labour, and other persons with local knowledge reports as to the prospects of employment throughout the colony. In his report to the Secretary of State, the Governor represented that, in the opinion of employers generally, the high rates of wages then being paid had produced a great contraction of industrial enterprise, and that immigration would be useful only if it reduced wages. For Sydney the report ran: "Employers complain that it is hard to get good men, but at the same time the rules of the Trade Unions in Sydney as to wages affect the amount of employment that can be given." The Governor did not take the opinion of trade unions directly on the subject of inquiry, but sent reports of meetings convened by these organizations, which ran absolutely counter to the reports of the employers. Nothing came of these inquiries, as the distress in England, which was their occasion, passed away before the Governor's report could be considered.

There can be no doubt but that truth was on the side of the workers in this controversy. Mechanics were the most highly paid labourers in the colony, and except in unusual circumstances the best wages were paid in Sydney. The nominal rate of mechanics' wages in Sydney was 8s. to 10s. a day, but the conditions of employment were such that the majority did not earn 7s. a day when employed, a rate that could not be described as high when the cost of living and the circumstances are considered. The employers were still hankering after a return to the rates of wages in the period anterior to the gold discoveries, and indulged the delusion, not uncommon amongst their class in all countries, that the rewards of capital directly correspond with the extent to which wages can be depressed.

As the year 1870 advanced the distress in Sydney increased, and at the end of October the Government felt itself compelled to open relief works for the benefit of the unemployed. These works were not, however, sufficient

to absorb any considerable proportion of the men out of work, and on 20th October several hundreds of unemployed men met in front of the Colonial Secretary's office, and a deputation of four of them waited on Cowper. They stated that 1500 to 2000 men were out of work in Sydney, and asked that certain public works which they indicated should be undertaken for their employment. The Colonial Secretary offered the men tickets for the soup kitchen, which were indignantly refused, and referred them to the Minister for Works. The latter offered to find employment for a certain number in making military roads in the vicinity of Sydney. The work was to be let to them on the contract system, and as this form of payment was very much disliked by the working men in Sydney, only about 600 applied for employment. In addition to providing these relief works, the Government gave free passes on the railways to several hundred men, who preferred to seek work in the country districts.

There was no improvement in industrial conditions during the summer of 1870-71. The Government, which was now a considerable employer of labour, made a general reduction in the pay of its employees, and, amongst others, mechanics and labourers had their wages lowered by about 1s. a day. Private employers were not slow in following the example thus set them. As a rule the men submitted to the reduction, but an attempt to lower the wages of shipwrights in May 1871 led to a strike. The men were organized in a strong trade union, and they insisted upon a wage of 12s. per day, which they obtained.

Employment remained bad during the whole of the year 1871 and well into 1872. There was a large amount of genuine distress, especially in Sydney, and the calls upon the charitable organizations were more numerous than had been the case for many years. The supply of every class of labour, except perhaps that of agricultural labourers and domestic servants, was in excess of the demand. The wages of rough carpenters in the country districts fell to £30 to £35 a year, a reduction of £5. Coal-miners were

working half-time, and those mechanics in Sydney who were employed rarely worked more than three days a week. But as the year 1872 advanced employment showed some improvement. There was a marked activity in the gold-mining industry, especially about Hill End and Tambaroora; a large number of quartz-mining companies were formed, who busied themselves exploiting the new fields; and though the movement was attended by much senseless speculation, it led at once to an increased employment of gold-miners. In this way much of the surplus labour of the colony was diverted from the ordinary market. Equally important in its effect on the New South Wales labour market was the change which had taken place in Queensland. That colony had completely recovered from its recent depression and was able to retain the stream of immigrants then arriving who in former years would have found no work in Brisbane, but, disappointed and penniless, have taken their chance in the already overfull market of the southern colony. In August 1872 the industrial improvement was everywhere noticeable. In the country districts rough carpenters were paid from £35 to £40 a year, and ploughmen, stockmen, and shepherds the same amount, and everywhere their services were in good demand. Nor were the improved conditions confined to rural workers. The wages of mechanics in Sydney, which had been quoted at 8s. to 10s. per day throughout the period, were now stated at 8s. to 11s.; the real improvement, however, did not consist in an increase of nominal wages, but in the much more constant employment which could be obtained. A meeting of wharf labourers was held in Sydney in September 1872, when the men formed a trade union and agreed to strike for a wage of 1s. per hour during the day and 1s. 6d. per hour at night, "considering the prosperous condition of the colony." The prosperity, however, was not great enough to ensure the success of this movement, and wages remained at 9d. an hour.

The question of shortening the hours of labour to eight

per day had not been lost sight of during the years of depression, but the workers were inclined to regard the shortening of hours rather as an expedient for reducing unemployment and rendering work more regular, than as an improvement in their social condition. The eight-hour day had never been so widely recognized by employers in New South Wales as in Victoria, and only the masons and bricklayers and some of the engineers had been able to maintain the reduced working hours, after they had once been secured. In February 1871 a "Labour Bill" was introduced into Parliament which sought to fix the daily hours of labour at eight in all trades, except where a specific agreement to the contrary was made. The Bill also prescribed four hours a day as the legal maximum for the employment of children under twelve years of age. The Bill was read twice, but failed to become law. In April 1872 a large meeting was held in Sydney to advocate the adoption of the eight-hours principle in the iron trades, when the men were prepared to submit to a proportionate loss of wages, but the movement was not successful.

During the same year the coal-mining industry was in a very disturbed condition. From 1860 to 1866 employment had been far from satisfactory, but during 1866 the demand for coal both at home and abroad increased, and the output of the mines was much larger than in previous years: but the price was too low to yield much profit. After 1866 there was an advance in price, but even in 1872 the price of the best screened coal at Newcastle was still only 7s. to 8s. per ton at the pit's mouth. There was at the time no miners' union, all attempts to form one even as late as 1871 having been unsuccessful; nevertheless, in 1872, the men united to demand a nine-hours day, eight hours of actual work and one hour for meals, and an increase in wages of 6d. per ton. Notice of these demands was given in June and, as they were refused, the miners left work on 22nd July. They disclaimed any intention of unduly limiting the output, "the miners might get as much coal as they could in the time," but they

desired to make employment more regular and to prevent the long spells of work, extending sometimes for eighteen or twenty hours, with intervening periods of enforced idleness. The colliery-owners replied that the conditions of the trade were peculiar. All the ships that came for coal naturally desired to be filled quickly, and in their endeavours to meet the demands of the ship-masters they were hampered by the inadequate appliances provided by the Government at the wharves, and by the fact that the miners would not permit stocks of coal to be accumulated, fearing that this would place them too much at the mercy of their employers. In August the mine-owners offered to advance the hewing rate by 6d. a ton, provided that no further advance was asked for while coal remained at or below 10s. per ton; they also offered a further advance of 3d. per ton for every advance of 1s. in the price of coal above 10s. a ton. The men agreed to submit to a reduction of 3d. per ton for each decline of 1s. in the price between 10s. and 8s. after 1st January 1873, and the employers undertook to raise the price of coal to 10s. per ton by that date and not to lower it unless they were compelled to do so by competition. The agreement was signed by all the Newcastle coal-owners.

VICTORIA

In Victoria there was the same uncertainty at the beginning of this period as there was in New South Wales, as to what were the standard wages of mechanics and other workers. Labour was not in good demand in the towns, and for mechanics from 8s. to 10s. a day was paid in Melbourne, the range in the rates being due, not to differences in the qualifications of the men employed, but to the reluctance or inability of employers to force reductions on men originally employed at the higher rate. On buildings begun after the decline in wages had set in 8s. a day was the prevailing wage. At Geelong bricklayers, plasterers, and blacksmiths were earning from 11s. to

14s. a day, but carpenters were usually paid 7s., or at most 8s. An official report on the rates paid in Victoria during 1862 gives 12s. a day as the wages earned by mechanics in some of the country towns, but no considerable number of men could have been employed at such a wage. As regards unskilled labourers, 5s. to 6s. a day was their usual wage, more perhaps being employed at the lower than the higher figure.

The demand both for agricultural and pastoral labour was very good at the beginning of 1862, and the rates paid were much the same as in New South Wales; married couples for farms or stations being hired for £55 to £65 a year, according to the locality of their employment, shepherds at £30 a year, and general farm hands and ploughmen at 20s. per week. The weather during the greater part of 1862 proved extremely wet, and from June to September all field operations were practically suspended. There was of course a lessened demand for labour during this period, but there was no change in the nominal rate of wages. The harvest labour was usually employed on piece-work, 4s. per acre being paid for mowing, and 14s. for reaping; where threshing-machines were employed labourers and binders received 25s. per week. These payments were in addition to food and, in most cases, rough sleeping accommodation. Very little rain fell during the opening months of 1863. farming work could not be proceeded with, and large numbers of men were thrown out of employment; those who were asked to remain at work were offered reduced wages by their employers, which many of them refused to accept, preferring to try their luck in the towns. The places of these men were taken by newly-arrived immigrants, who were usually willing to accept a lower rate than men with more extended local experience; but even of immigrant labour there was soon a surplus, and men and women in considerable numbers remained in the depots, unable to find employment. Married couples and shepherds were not affected by the decline in wages as employment was

always available for them, but general farm labourers could be hired at 12s. to 15s. per week, threshing-machine labourers at 20s., and ploughmen and carters at 15s. Carpenters for country stations were paid 20s. to 25s. per week, blacksmiths and wheelwrights from 30s. to 40s. . Even the wages of women servants shared in the general fall, and cooks and laundresses could be obtained readily for 11s. 6d. to 13s. 6d. a week, housemaids and general servants for 7s. to 9s. 6d., and nursemaids for 6s. to 7s. 6d. These rates show an important reduction from those paid a twelvemonth earlier when cooks' and laundresses' wages ranged between 13s. 6d. and 20s., housemaids' and general servants' from 10s. to 12s., and nursemaids' 6s. to 10s. Masters and men were engaged in a struggle in which neither could hope to be permanently successful. It was commonly believed by the employers that there would be a return to the wages current before the gold discoveries, and their plans were laid accordingly ; amongst workmen there was a hope that wages might be maintained at about the level at which they stood after the first excitement of the gold rush had subsided. Occasionally the men were cheered with a small victory, which recalled their past successes, as when in August 1862 the shipwrights of Williamstown struck successfully for 13s. a day of eight hours, refusing 12s. which their employers offered.

In order to maintain their position mechanics as a rule preferred to take half a week's work at 10s. a day rather than regular employment at a lower rate. This was attributed by the employers and their sympathizers in the press to a love of idleness acquired during the gold period. The *Argus* described working men as idle and capricious, and declared that the pressure upon them was not sufficient. It is hardly a matter for wonder, therefore, that the working classes should object to assisted immigration, since it was expected by its advocates to lead to the condition of sufficient pressure, which they favoured.

The condition of the working classes of Victoria at this transition period can hardly be summarized by any state-

ment of wages, hours or employment ; it was puzzling even to contemporaries. In October 1863 the *Argus* published a series of articles, designed to support its views of the unreasonableness of the ordinary working man in the matter of wages, which nevertheless contained much accurate and useful information. The stonemasons were still the leading trade, and out of 900 associated with the union considerably less than 500 were in regular employment. In 1859 a number of masons, with the approval of their union, had formed a co-operative association and took contracts for masons' work. The association paid current wages to its members, and divided all surplus profit equally amongst them. One of its contracts was for the erection of the Pentridge prison at a cost of £47,000 ; this was successfully carried through, as were several others. The success of the first association led to the formation of two others, also comprising members of the stonemasons' union. The even course of the co-operative societies was rudely disturbed by the question of the amount of work a member should be required to perform, and by majority the associations decided in favour of piece-rates. To the introduction of this principle the union strongly objected, and there was open war between the members who adhered to the associations and those who supported the union. This quarrel very greatly injured the union, which in 1863 found itself reduced to fifty members, who adhered to the eight-hour day, but otherwise allowed the ordinary trade regulations to fall into disuse.

The carpenters in and around Melbourne during 1862 and 1863 numbered about 16,000, of whom about 300 were usually unemployed. There was no union rate of wages, some masters paying 8s. per day and others higher rates up to 10s. ; union members accepted both the higher and the lower wage. Following the example of the stonemasons, the carpenters formed co-operative societies, which accepted contracts with the intent of paying full wages to their members, with an equal distribution of

profits, but these societies had little or no success. The carpenters' trade union, which at one time included the bulk of the trade in its membership, dwindled to about 50 members in 1863, and became virtually a benefit society. The union, though small in membership, was a rallying-point for the carpenters of the colony, and stuck firmly to the principle of an eight-hour day; but it was not recognized by the masters, and had little influence. The carpenters' union aimed at making 10s. a day the union rate, but was content if a minimum of 8s. a day was not departed from. Its efforts in this direction were, however, without success. Amongst carpenters, as amongst all building mechanics, there was at the time a custom for men to accept small labour contracts, without the intervention of master builders, at rates which did not yield, and which indeed were not framed to yield, more than 5s. or 6s. a day. The commonness of this practice is shown by the numerous advertisements appearing in the newspapers of contracts for labour only, and the powerlessness of the unions is clear from the fact that the practice grew up without any effective protest being made on their behalf.

The bricklayers in Melbourne numbered only 350, and for these employment was fairly good, at rates varying from 9s. to 10s. per day. There were some 300 plasterers in Melbourne, a number far in excess of the demand, whose nominal wages were also 9s. to 10s. a day. Very few plasterers, however, earned even the lower of these rates, as the labour contract system was almost universal in the trade, and in 1863 there were very few master plasterers left, their occupation having been rendered unnecessary by the labour contractors. The plasterers' union, which had always been weak, ceased to exist, having been deserted by practically all its members.

The cabinet-makers numbered about 250. In the larger shops men paid by time received 1s. an hour, but the majority were on piece-work, and, at the rates paid, the best class of workers could earn £3 to £4 per week,

but inferior workmen and men engaged on common descriptions of furniture usually earned between 20s. and 40s. per week. Very little cheap furniture was at that time made in Melbourne; it was usually imported, and consequently the furniture-makers were amongst those who clamoured most loudly for protection. The cabinet-makers had gained the eight-hours day with other trades in 1856, but in 1863 their union no longer existed, and they had reverted to ten hours a day.

The metal trades had begun to assume some importance at the beginning of this period; there were numerous foundries; agricultural implements as well as mining and other machinery were made somewhat extensively, and there were establishments for the fitting and repair of steamships. The various branches of the industry had their own unions, which were entirely independent of one another. The moulders were an important branch of the trade, and had a union, of which the Melbourne branch had 62 members, the bulk of whom were well employed. The union had been established in 1858, when 18s. was paid for a day of ten hours; in 1863 the union rate, paid by agreement with the employers, was 14s. a day of eight hours. There were branches of the union at Ballarat and other towns, and 15s. a day was occasionally paid to members of these branches. Moulders' labourers formed a fairly well-paid body, and their usual rate of pay was 7s. 9d. per day of eight hours.

There were about 80 boiler-makers in Melbourne, of whom approximately two-thirds only were fully employed, at wages ranging from 9s. to 12s. per day. Their union, after a very short existence, had been broken up owing to dissensions amongst the members.

The fitters, pattern-makers, turners, and smiths formed one union, which was a branch of the Amalgamated Society of Engineers, but they did not adopt the strict specialization common amongst members of that society in England. There were about 250 members in the Melbourne union, and trade in 1860 was prosperous; the

wages of pattern-makers were from 12s. to 14s. a day; fitters, 10s. to 12s. ; turners and smiths, 12s. ; hammermen, 8s. 6d., and labourers, 7s. 9d. per day.

The tailoring industry had developed since the Tailors' Trade and Benefit Society had been formed in 1852 to take care of its interests. The society itself had disappeared, in common with many other trade unions, when the reaction after the gold rush set in, but much of its work remained undisturbed. Wages were largely reduced, but the eight-hour day remained. The ready-made clothing trade gave employment to about 100 men and 300 women. For men the wages were nominally 1s. an hour, but the great majority were on piece-work, and their earnings ranged from £2 to £3 a week. For women piece-work was also the rule, and their earnings ranged from 30s. a week, which the most expert were able to earn, down to 12s. for slow workers; apprentices or beginners were usually paid 2s. 6d. a week. The ready-made clothing trade was carried on in the small factories, the first of which had been opened in 1861. The eight-hour day was generally observed, but it was usual for the workers to take away work to be done at their own homes. The bespoke tailors usually worked in their own homes, and their log rates were fixed so as to enable them to earn about 10s. per day of eight hours.

The shipwrights were a body numbering about 750, of whom perhaps one-third were in Melbourne. All the shipwrights were members of a union, which was able to maintain the high rate of 13s. as the wages of the trade for a day of eight hours. The shipwrights' work at the time was almost wholly repairing, and the men had to submit to a good deal of idle time, so that the actual earnings were much less than their nominal wages represented.

This brief summary gives a view of the condition of the principal trades of Melbourne and other towns at a very interesting stage in the history of the colony, and will serve as a commencing-point for future comparisons.

The spell of very dry weather that characterized the opening months of 1863 gave way to a season of extremely heavy rain, and in August, September, and October very little farm work could be attempted, and large numbers of farm hands remained unemployed. It was not until the middle of December that there was any large demand for agricultural labour, and by that time the market was so well supplied that wages remained unchanged.

There was a growing unrest amongst mechanics as the year 1863 drew to a close, and a tendency to resort to strikes as a means of settling disputes, however small. Of the more serious strikes of the period, two are perhaps worth mentioning. The first of these concerned wages. The navvies engaged on the railway works at Echuca, who were paid 8s. per day of eight hours, struck for increased pay, but after a brief struggle were glad to return to work at the old rates. The principle of an eight-hour day had been accepted with reluctance by the master coach-builders, and in November 1863 the largest firm of coach-builders in Melbourne thought the time opportune for forcing a return to a day of ten hours. The firm referred to were willing to pay a proportionate increase of wages for the additional two hours' work, and it is probable that the majority of the men would have agreed to the change; but the smiths stood out against it, demanding that the eight-hour day should be respected, and any work beyond the eight hours paid for at the rate of time and a quarter; their demand being refused, they struck work. This action of the smiths paralysed the work of the shop, and all the men in the factory were thrown out of employment. The strikers received support from the other trades, to such an extent that their leaders were able to give them half-wages as long as the dispute lasted. Thus supported, the men were able to maintain their position for six months, when, their demands being conceded, the strike terminated.

The year 1864 brought no improvement in the industrial position. There were meetings of the unemployed in

Melbourne and in the large towns. At a meeting of the unemployed at Geelong in August, it was stated that very few members of the building trades in that town were employed regularly, and most of them were without any employment. The meeting denounced the continuance of assisted immigration as "the most wicked thing imaginable." At the close of September a meeting was held at Melbourne to consider the distress prevalent there, which was reported to be "so great as to render private charity inadequate to cope with it." The pressure on the charitable institutions was very great. In Collingwood a soup kitchen had been opened, and was supplying 800 persons with food daily. The Immigrants' Aid Society was also busy with the work of relief. The increase in destitution may be gathered from the fact that, while the society had helped 6515 persons in 1862 and 9576 in 1863, during 1864 the applications for assistance were so numerous that the managers anticipated that before the year closed the society would have dealt with 20,000 cases. Towards the end of October the outlook seemed a little brighter; the demand for country labour improved as the harvest approached, and the price of bread, which had been 15d. per quarter, fell to 11d., owing to large importations of flour. The improvement was unfortunately not long continued. The later months of 1864 were marked by drought, and before the end of February 1865 agriculture was at a standstill. The only industry which offered better conditions in 1865 was gold-mining. The deep leads at Ballarat yielded better than they had ever done; the reefs in North Gippsland showed so well that the mine-owners felt justified in employing additional labour, and though the gold yield of 1865 was not so high as that of 1864, the share of labour was greater. Women's labour was less in demand during 1865 and somewhat worse paid than in the previous year. The domestic servants in the colony exceeded the demand, and every kind of employment for women which offered in Melbourne was sought by numerous and eager applicants. At this

time immigration from Great Britain was still being carried on, and domestics were arriving by every immigrant ship. Their numbers, however, were not large, and the excessive supply of servants was due to the depression in trade, as one of the first effects of such a depression in Australia is to reduce the number of households employing domestics, and also the number employed in the houses in which servants are retained.

Neither trade nor employment showed any improvement at the beginning of 1866, and as the year advanced the conditions grew steadily worse, first as the result of the tariff changes, to which trade did not at once readily adjust itself; secondly, and even more seriously they were affected by the news of the English financial crisis, which reached the colony at this time. In Melbourne many meetings of the unemployed were held, the principal topic discussed being the necessity for the immediate stoppage of assisted immigration. Advantage was taken of the existence of so much unemployment by the mine-owners of Bendigo to reduce the wages of their men from 50s. to 45s. per week. The men were not altogether against the reduction, provided their hours of daily labour were reduced from ten to eight. On some mines the reduced hours were conceded, but the majority insisted on the reduction of wages without change in the time worked, and a strike ensued, which went against the miners. In November 1866 the labourers employed on the construction of the Coliban water-works struck for an increase of pay from 6s. to 7s. per day. The harvest, which at that time was about to be gathered, promised to be very abundant; this affected the market for unskilled labour, and the contractors of Coliban were compelled to give way. In December, when the harvest was in full swing, the labour available in the country districts was all absorbed; farmers were offering 20s. a week and rations to labourers and some were so hard pressed that they employed Chinese to help in the fields. The extent of the harvest and the dearth of field hands may be sur-

mised from the fact that reapers were demanding 40s. per acre, whereas 14s. was commonly paid during the previous years. This great demand for harvest hands had little effect in reducing unemployment in Melbourne, where the financial troubles had almost put a stop to building operations, and very few artisans or labourers left the town to seek employment in the harvest-fields. The nominal wage for mechanics was 8s. per day, but only a very few superior workmen received that sum, the usual wage paid being 6s.

At the beginning of 1867 there was a more hopeful feeling in the colony than there had been for some years; the effects of the financial crisis in England and Queensland were passing off, the harvest was good, and the Government had succeeded in obtaining a loan in England, the proceeds of which were to be used in the construction of public works. Employment both in town and country showed an improvement even in the duller season, a result mainly attributable to the excellent prospects of the wool clip. The wages of mechanics in Melbourne were still nominally 8s. a day, and though this rate was not by any means general there was a nearer approach to it than in the previous year. In the country districts the current wages for shepherds and stockmen were £30 to £40 a year, with rations and hut accommodation. Other men engaged on stations or farms were usually paid by the week; general farm labourers received 12s. to 14s.; bush carpenters, 17s. to 20s.; blacksmiths or shoeing smiths, 30s., and wheelwrights, 32s. to 40s.—in all cases with rations and sleeping accommodation. Common labourers both in Melbourne and in the country districts were usually paid 6s. a day. For general servants, 10s. a week was the ordinary wage, and for nurse-girls, 5s. to 7s.

Employment during 1868 was in much the same condition as in the previous year. There was generally a very hopeful feeling that the long season of labour depression was at an end; nevertheless, there was at times considerable unemployment. Early in the year there was excite-

ment in Melbourne over the newly discovered goldfields of Queensland, and, in the course of a few weeks, about 2000 men left for Gympie. This exodus, however, did not noticeably affect wages, as only a small proportion of the men who left were town workers.

The manufacturing industry was now absorbing some of the surplus labour of the colony, and having an appreciable influence on wages and employment. In 1868 it was computed that there were 853 manufactories established in Victoria, giving employment to 11,179 males and 2977 females. The numbers were small, of course, but the colony was adding to its employment in factories at the rate of between 2000 and 3000 a year. The factory women were employed chiefly in Melbourne and its vicinity. A large proportion of them would have turned to domestic service, if they had not had this other employment available to them, and the result was a slight improvement in the wages of domestics, which in August 1868 averaged 10s. 6d. per week for general servants and 14s. for cooks; this was from 6d. to 1s. 6d. higher than in the previous year. While women were thus beginning to be withdrawn from domestic service by the factories, few women were arriving from England to take their places, and a dearth of servants was clearly in sight. Few native-born women at this time earned their own livelihood, and those who did preferred to work in the clothing factories and in similar establishments. Some country girls became domestics, taking employment in the towns nearest their homes, but city-bred girls had a rooted objection to service or any other occupation which did not leave them free in the evenings and on Sundays. The earnings of factory workers were on the whole much below those of domestics, taking into consideration the value of food and lodging; the best machinists earned from 15s. to 30s. per week, others from 7s. 6d. to 15s.; tailoresses working on slop clothing earned an average wage of 14s. 2d. per week if they were quick workers, but inferior workers did not earn more than half that sum. Between 1866 and 1868 there was

a considerable increase in the number of women employed in the slop-clothing factories, but the supply of workers was somewhat in excess of the demand ; this enabled the employers to effect a large reduction in wages, the average earnings in 1868 being 2s. 7d. less per week than those of the same class two years earlier.

The improved conditions of skilled labour manifested in 1868 were continued in the following year. In January 1869 good mechanics and labourers were well employed, and their wages showed an advance on those of the previous few years. In Melbourne stonemasons and bricklayers were paid 10s. a day, carpenters 9s., builders' labourers 7s., and other labourers 6s. to 7s. ; in the country districts bush carpenters were paid 18s. to 20s. a week, and wheelwrights and blacksmiths 35s. to 40s. with rations and hut accommodation. That there was a general improvement in the labour market may be seen from the fact that an attempt to enlist men for military service in New Zealand at 5s. per day was quite unsuccessful, whereas if such an offer had been made twelve months earlier it would have been readily responded to. Just at the time the Victorian Government was about entering on the construction of various lines of railway, and work had already begun on the Tasmanian main line, on which some 600 men, drawn from Victoria, had found employment.

The harvest of 1868-69 was very good and wages were high for skilled men. Reaping machines were now in general use and men who understood them were paid 5s. a day with board and lodging, ordinary farm labourers received 15s. to 20s. a week, and shepherds £30 to £40 per annum. All through the year the harvest prospects were good and agriculture made progress ; the low price of wool in the European markets was the only serious drawback to the rural industries of the colony. Domestic servants were greatly in demand, and the few immigrant women who arrived found immediate employment at wages from 10s. to 12s. a week for competent servants ;

women who had some local experience could obtain even higher wages.

In and around Melbourne a considerable amount of building was in progress; as the year advanced good workmen could command steady employment, and wages showed a tendency to increase. This improvement lasted until the end of the year, and at the beginning of 1870 mechanics in the building trades were so fully employed that contractors found it difficult to secure as many good workmen as they required. An agreement was entered into about this time between employers and workmen that artisans should be paid at the rate of 10s. per day, hodmen 7s. and pick and shovel men 6s. The painters did not come under this agreement and were usually paid 8s. a day. The metal trades were in a very prosperous condition; blacksmiths' wages ranged from 10s. to 14s. a day, fitters from 9s. to 12s., turners 14s., moulders from 11s. to 14s., pattern-makers 10s. to 13s., and engineers 12s. to 14s. The working day for artisans, labourers, and metal workers was eight hours, but in several of the smaller trades the day was still ten hours. Agriculture had made good progress during 1869 and farm labourers were in demand all through the year. At harvest-time many field labourers were paid 10s. a day with food and sleeping accommodation, the usual rate being 6s. or 7s. a day, and the dearth of labour was such that large numbers of Chinese were employed in some districts to gather in the crops.

The expectations of a favourable period of trade and employment with which the year 1870 opened were not, however, realized. The goldfields upon which the colony had depended so long showed a marked falling off in production, the yield being valued at £5,217,216, a million and a half less than in 1868, in spite of a number of new mines having been opened and a large expenditure incurred in developing them. There was continued rain during the first half of the year, agricultural operations were greatly interfered with and trade generally became bad.

In June a large number of men in Melbourne could not find work; this unemployment extended to all trades except the builders; the metal trades, which were so flourishing a few months previously, were particularly affected. An extensively-signed petition was presented to Parliament in July, asking that all the iron-work the Government required should be manufactured in the colony, instead of the larger part being imported from England; but, however disposed the Government might have been to listen to such a request, it was manifestly impossible to agree to it, as there was not at the time in Australia sufficient equipment to make a tithe of the machinery and general iron-work then being imported. The wages of gold-miners varied somewhat in different districts. At Ballarat the prevailing rate was 45s. per week, with an eight-hours day; at Bendigo 50s. a week for deep sinking, otherwise 40s. and 45s., but in this district much of the work was done on tribute. At Wood's Point a proposal of the employers to change 10s., which was paid for a ten-hours day, to 8s. a day of eight hours led to a strike, which was settled by a compromise of 50s. a week with the shorter day.

The depression increased considerably during the last six months of 1870, and in all the large industries, except the building trades, there was much unemployment and short time. There were large numbers of navvies and casual labourers out of work, as the men employed on the North-Eastern Railway construction works found to their discomfiture, for when they struck for 7s. a day in place of 6s., their places were at once filled at the lower rate. This occurred in December 1870. In some of the smaller trades, such as boot-making and saddlery, there was an actual decline in wages, but the more common result of the bad condition of trade was irregularity of employment. The only minor industry that flourished at this time was meat-preserving which, was very busy owing to the Franco-Prussian war; the subsidiary trade of the tinsmith was also active, and while the war lasted £3 : 10s. to £5 a week

were the usual earnings of persons employed in the industry.

The harvest of 1870-71 was late, and wages did not rise so high for harvest workers as in the preceding year. The wages of ordinary agricultural labourers were from 12s. 6d. to 15s. per week, and in February there was a further reduction to 12s. Other rates for agricultural labour were: married couples on farms and stations £40 to £45 a year, shepherds £25 to £45, general station hands 12s. to 14s. a week, and horse-drivers 14s. to 16s., all with rations and lodging.

At the beginning of the year 1871 builders were busy, but this did not long continue, and in May numbers of men were out of work. The nominal wages of stonemasons, bricklayers, and plasterers were still 10s. a day, of slaters 11s. 6d., carpenters 9s., and builders' labourers 5s. 6d. to 7s. It was unusual, however, for men, except on large buildings, to be paid these wages, most of the work being done at piece rates which did not yield more than 7s. a day to a good workman. This depressed condition of the labour market continued during the whole year, and was not confined to Melbourne, though it was felt there more keenly than elsewhere in Victoria. In August there was great distress at Geelong, and a petition signed by 700 unemployed persons was presented to the Legislative Assembly asking that public works should be opened near that town. The Corporation of Geelong had already provided some relief in the shape of stone-breaking for road works, for which it was willing to pay at the rate of 2s. a cubic yard, but as the breaking of a yard and a half was the average daily performance of a man not accustomed to such work, not many offered themselves for employment. As the destitution was rapidly increasing around Melbourne the Government set aside £10,000 appropriated for the filling up of the old quarries at Carlton, to be used in finding work for the unemployed. When the works were opened in October 1871 200 men offered themselves for employment, but in a week the number had increased to over

1000. The pick and shovel men were paid 4s. 6d. a day, gangers 7s., and carters 10s., the last named being required to find their own horses and carts. Similar works were opened near Geelong and at Castlemaine. These works after about a month were closed on the approach of harvesting, when the demand for field workers enabled a large number of general labourers to find temporary employment.

No general improvement in the conditions of the labouring classes was noticeable until March 1872; employment then became good and remained so for about six months, when all town industries except building again became depressed. The iron trades were amongst those most affected. The price of imported material had increased very much, and manufacturers in consequence reduced their output or suspended work. Where operations were continued boiler-makers, smiths, fitters, and turners were compelled to accept the reduced wage of 10s. a day. The demand of the meat-preserving works during 1870 and 1871 led to a shortage of live-stock in the following year, meat-canning and boiling down were practically suspended during 1872, and several hundred men were thus thrown out of employment.

In October 1872 the conditions of employment in many industries began to improve, and before the close of the year much of the surplus labour of the colony had been absorbed. The harvest proved to be good, and in December field workers were paid 20s. to 25s. a week; the numbers who offered themselves were insufficient for the work to be done, and the farmers asked that the work of railway construction should be suspended until the harvest had been gathered in; naturally the Government paid no heed to this extraordinary request.

The weekly wages ordinarily paid on farms during the latter part of 1872 were to married couples 21s. 4d., ploughmen 18s. 9d., farm labourers 16s., mowers 28s., reapers 28s. 6d., and female servants 10s., rations and sleeping accommodation being given in every case. Reaping, mowing, and threshing were usually done by machine labour

for which reapers were paid 6s. 1d. per acre, mowers 4s. 4d. per acre, and threshers 23s. per 100 bushels. Where threshing was not done by machines 7d. per bushel was paid, and for mowing 4s. 10d. per acre. On stations and pastoral holdings labour was still hired by the year at the following weekly wages: stockmen 17s., shepherds 13s., hut-keepers 10s., station labourers 16s., sheep-washers 20s., married couples 21s., and female servants 10s. Shearers were invariably paid by the hundred sheep shorn, the average rate being 13s. 2d.

During the closing years of the period there was a decided increase in the number and strength of the trade unions in Victoria. The policy of uniting trade unions by means of a Trades' Council was developed, and through this central body the trade unions were brought into contact with labour associations in other parts of the world. The Trades' Hall had existed in Melbourne for several years, without having any controlling influence on the individual unions, and without attempting to acquire such influence, but the idea of a central controlling body was developed, and the Trades' Council obtained during this period much of the influence that it now wields. An article contributed to the *Beehive* of July 1872 by "the Committee" in Melbourne on the project for a "union of trade societies" in Victoria dealt with the question. It dwelt on the results which had been achieved in England, and described the "United Trades' Association" in Melbourne as "formed of trade or handicraft societies for the purpose of mutual assurance, when engaged in obtaining or retaining rights; the amelioration of the condition of working men, together with the furtherance of all objects which may be for the good of manual workers."

The helpless condition of the trade unions at the beginning of the period put the men at a great disadvantage whenever a dispute arose between them and their employers. The chief trades, especially the builders, made an effort to sustain wages and preserve the eight-hour day;

but wages were reduced in all, and the short day lost in several trades, without a strike occurring, the unions recognizing their inability successfully to resist these changes. On the few occasions when there were strikes, those that were successful were undertaken by small and well-organized bodies, such as were the shipwrights and the smiths in the coach-building trade. The shipwrights were engaged almost entirely upon repairing work; their employment was irregular, but when their services were required the demand for them was always urgent. A trade such as this was very well situated to urge its claims to a successful issue. The coach-smiths were much in the same position. They, too, were well organized, their work comprised a good deal of repairing and fitting, and was often urgently required. The trade was a small one, and when the men struck there was no possibility of filling their places, except by importing men from England. In the case of the railway navvies who several times ventured to strike, these special conditions were absent, and their strikes were unsuccessful.

The strike was not, however, the method which found most favour with workmen at the time. The men, who had obtained the eight-hours day in the previous decade and who had thought the matter settled, had seen that a period of depression affected their position very adversely; when prosperity reappeared, therefore, they endeavoured to obtain a law regulating the hours of labour. In November 1869 a Bill was introduced to legalize the eight-hours system in Victoria. It provided that eight hours should be considered "a legal day's labour in any action at law, or suit in equity . . . unless there shall be an agreement in writing to the contrary." The Bill was read twice, but it did not become law. A "Short Hours' League" had been formed to further the cause, and in February 1870 the Government made an agreement with the league, that in all future contracts the eight-hours system should be enforced. The immediate consequence was that the men engaged on existing contracts, at the

Malmesbury section of the Coliban water-works and at the Williamstown Graving Dock, struck for the eight-hours day, which they obtained ultimately. In 1871 a "Labour Bill" was introduced to legalize the eight-hours day. It dealt with the matter on the lines of the previous Bill, but also provided that no child should work more than four hours a day. This Bill did not become law, and a similar measure introduced in 1873 was read twice, but afterwards withdrawn.

QUEENSLAND

When Queensland began its career as a separate colony its population numbered about 25,000 persons, and the labouring element consisted of pastoral workers, agricultural and general labourers, and some useful mechanics. The census taken in 1861 showed that 4088 males were engaged in pastoral occupations, 1111 in agriculture and horticulture, 1700 were skilled artisans and their employers, and 2069 unskilled workmen. There was great need of labour in all the leading industries and assisted immigration was at once resorted to, in order to provide that labour. Immigrants who arrived in November 1859 were able to obtain £30 to £40 a year, with hut and rations on the stations; married couples obtained £45 to £60, and single women £22 to £26 and even £28 a year. A farmer at Warwick, one of the few persons in the colony who grew wheat in any quantity, reported that his labourers earned 7s. a day; but Queensland had not yet reached the stage when farm work was constant, and agricultural labourers had to seek other occupation during part of the year; this they usually found in clearing and fencing new land or at shearing. Ploughing usually cost a farmer 14s. an acre, and half an acre was a day's work; reaping cost 20s. an acre, and threshing 15d. to 18d. per bushel. In 1860 the official return of wages gave the following as the current rates per day:

	s.	d.		s.
Carpenters .	10	0	Bricklayers .	12
Smiths .	10	6	Masons .	13
Wheelwrights .	11	6	Farm labourers .	6

Shepherds were returned as receiving £10 a year, and the wages of women servants varied from £21 for nurses to £31 for cooks and laundresses; general servants, by far the largest class, were usually paid about £26 a year. The official returns invariably gave the wages at an annual rate, but the ordinary custom of employers was to pay servants weekly.

The wages of mechanics were at this time higher in Queensland than in any other part of Australia, but it must be remembered that the number of men enjoying these rates of pay was not large; the census of 1861 showing only 1700 skilled workmen and artificers, of whom 871 were set down as employers and 829 as employed men. Obviously the majority of the employers were men working on their own account with the occasional help of one or more mechanics or labourers.

During the three years 1861-64 Queensland made considerable progress; its population increased rapidly, owing to the energetic way in which its immigration work was prosecuted, and its industries grew apace. Wages remained practically unchanged during these years, and there was no unemployment. The official returns gave the following daily rates for 1864:

	s.		s.
Carpenters .	11	Bricklayers .	11
Smiths .	11	Masons .	12
Wheelwrights .	11	Farm labourers .	5

Shepherds were set down at £40 and farm labourers at £45 a year with rations and hut accommodation. The wages of women servants were less than in 1860 owing to the very large numbers brought to the colony as assisted immigrants; nurses were usually paid 6s. a week and laundresses 10s., but cooks could still obtain 12s. and general servants 10s.

During 1864 and 1865 extensive public works were taken in hand, causing a very great increase in the demand both for artisans and labourers. In February 1865 the Premier, Herbert, reported that "Labour of almost every description is largely in demand throughout the colony, and the rates of wages are such as to prove the want of a still increasing supply." He stated that the pastoral industry was increasing so rapidly as to offer employment to all who wanted work, and that the public works policy of the Government was also providing employment for very large numbers. Contracts for railway construction had been made with Peto and Betts, and as the labour they needed did not exist in the colony the immigration agent was instructed at the beginning of 1865 to send out 2000 navvies and railway workers as quickly as possible. There was work waiting for a considerable number of masons and bricklayers, not only on the public buildings, railways, bridges, and waterworks, the construction of which the Government had begun, but also on the private buildings which were being erected in Brisbane and to some extent in the other towns.

In 1865 railway workers of the navyy class received from 7s. to 8s. per day; stonemasons 12s., and other artisans 11s. with constant employment. Farm labourers were still paid £45 a year where rations and lodging were provided, but immigration had brought down the wages of shepherds to £30 a year in places not remote from Brisbane; in the outlying districts £40 was still paid. Notwithstanding the energy of the Government in the construction of public works, backed up, as it was, by private enterprise, there were even in 1865 a noticeable number of persons without means and without employment. These were congregated in Brisbane, and consisted for the most part of men quite unsuited to life in a new colony—clerks, members of the learned professions of an inferior kind, and men with no trade or occupation at all, who were unwilling or unable to adapt themselves to their new surroundings. These unemployables formed a marked contrast to the rest

of the community, as there was abundant work at high wages awaiting any man who was able to do hard work. The hours of labour varied in different occupations and in different localities, for as yet there was no general cohesion amongst the labouring population. In Brisbane men in the building trades worked 8 hours a day; in other occupations a day of $9\frac{1}{2}$ hours was common.

At the beginning of 1866 employment in all trades was still excellent; immigration was carried on with vigour, and an effort was made to attract labour from the other colonies. In a pamphlet issued in January 1866 by authority of the Government the ordinary wages of masons, bricklayers, and plasterers were set down as 12s. a day; of blacksmiths and wheelwrights, 11s.; carpenters, painters, glaziers, and cabinet-makers, 10s.; brickmakers, 8s., and railway labourers 7s. to 8s. 6d. Compositors were paid 1s. per thousand ens, or, where on day work, 12s. a day. On stations shepherds and bullock-drivers were paid £40 a year with rations; stockmen and labourers, £45; hut-keepers £30, and married couples £65. For domestics the rates quoted were the same as paid in 1864. This pamphlet was intended for wide distribution; nevertheless, it had scarcely been published when it became apparent that the supply of labour was in excess of the demand. At first the explanation offered for the changed conditions was that the immigrants sent out were generally of an inferior class and that their failure to obtain employment was due to this cause. When immigration is conducted on a large scale, there are always persons of an inferior type included, but it is not at all probable that the proportion of such persons was much greater in 1866 than in previous years; and it was not long before the authorities had to recognize that the failure of the newly arrived immigrants to gain employment was due to the condition of the country itself.

For some time Queensland had suffered seriously from want of rain, and this not only checked the employment of pastoral and agricultural workers, but by diminishing

the prosperity of the colony affected employment generally. There would probably have been an actual want of employment during the early part of 1866 had it not been for the Government's undertakings. In May of that year, however, it became necessary for the Government to curtail its expenditure as its funds were becoming exhausted. A large number of men were thus thrown out of employment, and at the end of July a climax was reached, when the Government's financial difficulties brought about an almost complete stoppage of public works. The financial crisis that followed is described elsewhere. In Brisbane business was almost entirely suspended, and there was no money to pay wages. Building operations ceased, and the city was filled with unemployed. To make matters worse, large numbers of immigrants were arriving at Brisbane, for whom there was no hope of immediate employment, and whom the Government could not support. The railway navvies, who had in most cases been brought out to the colony by the Government with a special assurance of employment, bitterly resented the position into which they were now thrown, and mass meetings were held protesting against the stoppage of public works. At Helidon 200 navvies banded themselves together as the nucleus of an army of unemployed and determined to proceed to Brisbane, visiting various road camps on their line of march. In Brisbane they would petition the Governor and demand an immediate redress of their grievances, and their determined attitude would wring from the Government what it was evidently not willing to concede to pacific remonstrances. On 22nd August these men seized a goods train and set out on their journey. They reached Ipswich, where they were met by J. P. Bell, who had just been appointed Minister for Lands in the second Macalister Government. He assured the men that there would be an immediate stoppage of immigration except under the remittance regulations, and that in order to afford the unemployed the means of tiding themselves over their

present difficulties, relief camps would be formed at various centres. Thus mollified, the men returned to Helidon.

There were meetings of unemployed in Brisbane also which were very unruly, and the Government was denounced in unmeasured terms. On its part the Government was very solicitous of ameliorating the condition of the unemployed. It was unable from lack of funds to end their troubles, but relief works were opened in the vicinity of Brisbane, Ipswich, Helidon, and Maryborough. The work was road-making and clearing, and 20s. a week was allowed to the men who were employed upon it. There was great discontent amongst the unemployed, both with the class of work and the pay offered, a small proportion only of them made their way to the relief camps, and the unrest in Brisbane considerably increased. A large meeting was held on 31st August 1866 in the Green Hills Reserve, to consider the rate of wages paid by the Government to the men in the relief camps, and a deputation was appointed to wait on the Minister for Lands, who chanced to be the only member of the Cabinet then in town. He offered to pay 15s. a week for three days' work, leaving the men free to seek other employment during the rest of the time. This change was made, although it was viewed with disfavour by the unemployed, who continued to hold meetings of a boisterous character, causing great anxiety to the Government. Early in September it was rumoured that the unemployed navvies, still remaining in the railway camps with their starving families, intended to make a descent on Brisbane. The rumour proved true, for on 7th September it was announced in the newspapers that the railway labourers were coming to Brisbane, to combine with the unemployed of the town whose discontent was growing more and more dangerous as their distress increased. Wild rumours of the intentions of the navvies flew from mouth to mouth: they were going to sack the banks, hold high revelry with the contents of the shops, burn Government House, and hang the Ministry. These

threats were duly reported by telegram to the Government and appeared in the newspapers, and there was a positive panic amongst all classes. The Ministers might easily have acquainted themselves with the numbers of the discontented labourers and their ability to carry out their incendiary programme, but they preferred to take heroic measures, ludicrous in themselves and pathetic in view of the actual extent of the danger likely to be encountered. The police were hastily armed and the civil servants sworn in as special constables and armed with batons ; a reserve force of citizens was also sworn in ; these were furnished with rosettes, but no other means of defence. Then came the invading army, 135 navvies, tired out, foot-sore, and hungry. They were met by the Minister for Lands and persuaded to take refuge for the time in relief camps that had already been formed. But public opinion was still unsatisfied as to the peaceful attitude of the invaders. The men arrived on 8th September ; next day all the shops and banks of Brisbane were closed and business was suspended, as it was feared there might be violence, but the day passed without much disturbance. A deputation of the unemployed went to the Governor to lay their case before him and to ask for better payment. The men were referred by the Governor to Bell, Minister for Works, who assured them that the Government would have helped them more generously if it could, but it had no funds from which to grant higher rates of pay. He promised that as soon as Parliament reassembled, steps would be taken to increase the amount available for public works. That was a matter of the future ; for the present he offered to send men up to the northern ports at the expense of the Government as work was more easily obtainable there. The men accustomed to rural work were disposed to accept this offer ; the Brisbane men, however, were not so inclined, and grew so violent in their language as to cause general apprehension, lest they should break out into open riot and pillage. On the day following, that is, on 10th September, all the shops and banks in Brisbane were

closed once more, and the Government held all the military and civil forces at its disposal in readiness to act if any outbreak of violence occurred. The unemployed held a meeting and sent a deputation to the Government to demand, among other things, free selection over the Crown Lands of the colony. This they were told could not be granted under the existing law, and the Government again offered to send 250 of the men to Rockhampton, where it was believed they could obtain work, and to send others to the south-western line of railway at Gayndah where the contractor would be able to find them work. The Brisbane men were not willing to go into the country, and they grew more and more riotous. A meeting took place after nightfall, and the effect of passionate oratory was tried by leaders of the mob. "Bread or blood" was ferociously demanded by one of the speakers. The men were excited but good-humoured, hungry but not blood-thirsty. Some of them hammered with stones on the door of the Government Stores and attempted to force an entrance. At last the time-gun was fired twice, and the civil servants hurried with their batons to join the regular force, who were armed with rifles and bayonets. This defensive body marched into the crowded streets amid jeers and laughter. Stones were thrown, one or two constables were struck, a police magistrate got a black eye, and a lamp was broken, but there was no real rioting. The police ostentatiously loaded their rifles with ball cartridge, and the Riot Act was read. The crowd allowed itself to be headed off to one of the city reserves, where its hunger was relieved and good counsel served out to it. Two or three arrests were made, but very little damage had really been done. The rural workers amongst the unemployed soon afterwards began to accept the Government's offer to take them out of Brisbane, some 150 men were sent to the railway works, and about an equal number went to Rockhampton on the Government steamer. Those who remained in Brisbane were still very discontented; few of them could get employment

on the three days a week when they were not on the relief works and their earnings therefore were not more than the 15s. allowed by the Government, which was insufficient to obtain for a man with a family more than bare necessities. The action of the Government in keeping open the relief works was roundly condemned by the employers in and around Brisbane, who considered that by enabling the men to eke out an existence working half-time the Government was hindering the competition of the unemployed with other labourers, and thereby preventing a further reduction in wages, especially of rural labourers.

On 25th September only 600 men were employed on the relief works, a very inconsiderable proportion of the total thrown out of work by the financial crash. A large number of the unemployed did not accept relief work, but remained about Brisbane, living as best they could, many of them depending on charitable relief, which was well organized and generously subsidized by the Government. The main relief of the congestion of the labour market was attributable, however, neither to the Government relief works nor to the charitable societies, but to emigration, as a large number of men left Queensland for the southern colonies at an early stage of the crisis. By sea it is known that there was a loss of some 3200 persons, and it is certain that considerable numbers crossed over to New South Wales by land. The numbers going to the other colonies from Queensland would have been greater were it not that those colonies were suffering only less severely than Queensland itself.

If the semi-official quotations are to be accepted as correct, the wages of mechanics in Queensland fell during the latter half of 1866 to 9s. a day. This rate was paid for ordinary work by the Government and occasionally by others, but for the greater part of the time a mechanic would take what he could get above the 5s. a day paid on the relief works. The wages of farm labourers fell to 10s. a week, and this was the usual wage of shepherds. There was a reduction also in the wages of women servants of

from 1s. to 2s. a week, and there was, moreover, a considerable diminution in the number employed.

During 1867 mechanics had great difficulty in getting employment, and it is doubtful if they averaged more than half-time during the first eight months of the year. Men in commercial pursuits had similar and perhaps greater difficulty; in fact, all town occupations were much depressed. On the other hand, there was increased employment in agriculture, and in many cases where men who could not get employment in towns had a little money saved, they settled themselves on the land and took to its cultivation. The wages of mechanics were nominally 8s. a day, but in some cases masons and bricklayers received 9s. The wages of country workers remained as in 1866, but those of women servants rose and were slightly higher than in 1865, owing to the almost entire cessation of immigration.

The first relief to the depression came in September 1867, when the alluvial gold-diggings at Gympie were discovered. There was an immediate rush to the district from Brisbane and other parts of Queensland, which reduced the numbers of the unemployed and even caused the demand for certain kinds of labour to be in excess of the supply. Early in 1868 a large number of gold-diggers from Victoria joined in the rush, but, the alluvial deposits at Gympie showing signs of exhaustion, most of the men who came from the southern colonies returned thither during the course of the same year. Coincident with the gold rush there was a noticeable increase in the demand for agricultural labour, due to a large expansion of settlement, following the passing of the very liberal Land Law of 1868. As this class of labour was in short supply, immigration from the United Kingdom was resumed, but assistance to emigrate was confined to agricultural labourers and domestics, the class last mentioned being also greatly needed.

The year 1868 was extremely dry, especially in the pastoral districts, and as there was a fall in the price of wool, the industry was much depressed. The pastoralists,

anticipating that prices were going still lower, endeavoured to reduce the cost of working their runs as much as possible. The practice of fencing runs with this object became common, and the rate at which reductions might thus be made may be inferred from a given example. On one run in the northern district with about 40,000 sheep, which had required fifteen or twenty shepherds, there were, after fencing, only four or five boundary riders employed, and similar reductions took place wherever fencing was carried out. The practice, however, was not common enough to affect labour much, as will be seen by comparing the increase in pastoral workers during the period with that in stock. It was lack of means that prevented fencing becoming general, as it was demonstrably a good investment.

In the ordinary trades employment continued to be very bad during 1868 and 1869; the same nominal rates were officially quoted, and mechanics were reported as earning 8s. or 9s. a day; but as late as 1870 the rates of wages posted in the immigration depot at Brisbane, rates which an immigrant could not refuse without forfeiting the right to shelter, were as follows:

Mechanics, carpenters, and bricklayers, without board and lodging	5s. per day.
Mechanics, with board and lodging, <i>i.e.</i> in country employment	£40 per annum.
Labourers and shepherds . .	£25 per annum.
Married couples on farms or stations	£35 to £40 per annum.

Some experienced colonial workers undoubtedly received higher rates than were usually paid to immigrants, but many of them did not, and the average pay of an artisan was little above 5s. a day. This was much lower than the wage paid at the time in New South Wales or any of the other eastern colonies, and lower also than wages had ever been since the gold discoveries. There was a good deal of labour being employed throughout the colony, but there

was great difficulty for mechanics to get employment at their own trades, even at the low rates then current. Young unmarried men had little trouble in obtaining work on the farms or stations, but married men with families were not so easily provided for.

During 1870 employment remained very much as it was in the previous year; in 1871 there was some improvement in the demand for country workers, but trade was still very dull for artisans. Even as late as November 1871 the *Brisbane Courier* contained an advertisement that joiners would be sent out at 6s. a day or 10d. per hour, and carpenters at 5s. a day or 8d. an hour "until the times improve."

During the first half of 1872 the labour market underwent a gradual but complete change. In July it was reported that not for many years had the demand for labour in Brisbane been so good. Immigrants were hired as soon as they arrived, instead of having to pass a week or more at the depots; there was, in fact, more call for labour than there was labour offering. In these conditions wages at once rose. Masons, bricklayers, plasterers, and blacksmiths could readily obtain 10s. a day in Brisbane; carpenters, painters, and wheelwrights 9s.; and general labourers 6s. The rates for predial labour, both agricultural and pastoral, advanced from 10s. a week with rations and lodging to 17s. and 20s., according to quality; the wages of women servants were at the beginning of the year from 7s. 6d. to 10s.; in July they rose to 10s. and 14s. for nurses, housemaids, and general servants, but skilled cooks and laundresses were paid at much higher rates.

The census of Queensland taken in 1871 presents a very remarkable picture of the development which had taken place since 1861. The total population had increased from 30,059 to 120,104, and the number of workers in the colony in somewhat like proportions. In the chief and best defined classes of industry the number of persons employed were:

	1861.	1871.
Trade and commerce . . .	494	2,106
Pastoral industry . . .	4,088	11,360
Agricultural industry . . .	1,111	13,732
Mining . . .	78	7,584
Other industrial pursuits . .	8,564	19,134

Trade unions were not much in evidence in Queensland during the first few years of its existence, but as early as 1864 there were small unions connected with building trades in Brisbane, formed by mechanics who had belonged to the large unions in New South Wales and Victoria. The eight-hours day was recognized in the building trade in Brisbane in the same year, if not earlier, and on 1st March 1865 the first annual demonstration in favour of the principle was held in that town. This was taken part in by some 500 men, who marched through the streets headed by the banners of the Operative Masons and the Operative Plasterers. The demonstration may be reckoned as having been very successful, inasmuch as it spurred the men of Brisbane to agitate for an eight-hour day, which they did with general success and without having to resort to strikes to attain their end. The heat of the climate was put forward and admitted as a very strong reason for the adoption of a short day, and in 1865 the Government reduced the hours of the railwaymen in its employ at the Ipswich yards from ten to eight. About this time the navvies working for the railway contractors struck for the same concession, but the men had no organization and the strike died out. During the long depression following the financial crisis of 1866 a number of trades relinquished their claim to the eight-hours day, but in Brisbane, despite the dearth of employment, the men in the building trades maintained the custom, and on 1st March 1872, when the depression was beginning to lift, they inaugurated a new campaign for its general adoption. What was termed a "demonstration," that is, a procession with a large display of trade emblems, was held to encourage other trades to demand a reduction of working hours,

and there was a general awakening of interest in the question throughout the colony. In 1872 the working miners in four quartz-mines at Gympie struck for a reduction of their hours from nine to eight, and when during 1872 and 1873 a number of trade unions were formed, the eight-hours day was almost invariably given a prominent place in the objects of union.

SOUTH AUSTRALIA

The satisfactory condition of the South Australian industries at the close of the last period remained unchanged for some little time, during which copper-mining was still further developed; the farmers and pastoralists did well, and employment was everywhere good. The yearly wages paid in rural industries at the beginning of 1863 are shown in the following statement, rations and hut accommodation being also given:

General farm servants	£40 to £47
Women farm servants and dairymaids	18 „ 23
Ploughmen	40 „ 52
Married couples	55 „ 60
Shepherds	39 „ 52
Bullock drivers	45 „ 50

The highest rates of wages here quoted were those paid in the districts remote from Adelaide, the degree of skill and knowledge possessed by the servants having little to do with the variations. Harvestmen and bush carpenters were paid from 20s. to 25s. per week, with rations and hut accommodation; these men, though paid by the week, were ordinarily in as regular employment as others whose pay is stated at a yearly sum. Miners were paid 7s. a day, and other men in and about the mines 5s. The wages of building mechanics, carpenters, bricklayers, masons, and others, ranged between 8s. and 10s. a day, according to the quality of the men and the character of their work; in the case of bricklayers, the best men were occasionally paid 11s. a day. Builders' labourers were paid 6s. and

ordinary labourers 5s., blacksmiths 8s. to 10s., and iron-founders 13s. to 15s. a day, but the number of the latter class employed was inconsiderable. Female domestics were paid at rates ranging between 7s. and 10s. a week. The highest wages were paid to cooks and laundresses, the cooking and laundry work of a house being generally done in South Australia by the same person, as it was in Victoria and New South Wales also. The rates of wages in all industries remained practically unchanged during the years 1863 and 1864, and employment was uniformly good.

In the building trades and with artisans generally, the usual working day was nine hours, or fifty-four hours a week, for Saturday was not a half-holiday. As early as April 1863 the possibility of securing an eight-hour working day was discussed in trade circles, and a meeting was held, under the presidency of the Mayor of Adelaide, to urge the adoption of the shorter day. At this meeting representatives of the stonemasons, carpenters, and plumbers took a prominent part, but the trades as a whole were not well organized. There was very little enthusiasm about the meeting, nor was any alternative, such as a strike, suggested to follow in the probable event of the concession being refused, and in a little while the movement died down. Two years later the stonemasons and bricklayers of Adelaide formed a society whose objects were "to protect and advance the interests of the operatives, but particularly to effect the introduction of the eight-hours system." It was modelled upon an earlier society, which had dropped out of sight sometime between 1856 and 1860. The society did not obtain the eight-hours day for its members, but its efforts were not altogether fruitless, as it arranged for a Saturday half-holiday, which, by a strange irony, its members obtained by agreeing to work longer hours on the other five working days.

In April 1864 occurred the first important strike experienced in the Province, that of the miners at the Moonta copper-mine. These men were nearly all employed at

piece rates, and in many cases their wages did not average more than 20s. a week ; to this grievance was added that of the conduct of the " Captain " of the mine, which was described as very tyrannical. It was upon the latter grievance rather than upon the wages question that the strike ultimately turned. That the working of the Moonta mine should not be long interrupted was a matter of the greatest importance to the South Australian people, and on 6th May a meeting of citizens was held at which was present a deputation of the strikers. The meeting was so far effective that the directors promised to investigate the complaints, but the men refused to return to work until the offending " Captain " was removed. The directors at length consented to this, and the strike ended in June 1864, having lasted over eight weeks. In the following January the directors of the Wallaroo mine notified their smelters that there would be an immediate reduction in their wages ; the men replied by striking and by demanding the removal of the manager. The Wallaroo men's resources were by no means strong, and after a few weeks they returned to work, at the reduced rates and without having their way with regard to the manager.

During the year 1865 the colony suffered from drought, which was so severe as to affect the employment of shepherds, stockmen, and, to a smaller extent, of agricultural labourers. In October the station hands in the north left their stations, as there was no longer work for them, and sought employment in the agricultural districts, so that according to contemporary evidence there had never been so many men in the south-east looking for work. The extent of the unemployment may perhaps be surmised from the report of a squatter, who said that more than a thousand men had come to his station in their search for work during the course of fourteen weeks. And this was a common experience. There was not, however, any attempt on the part of the pastoralists to reduce wages, which remained the same as in 1863 and 1864.

There was still a fair number of assisted immigrants arriving from England, most of whom had been brought out expressly to take up pastoral work in the districts in which the drought was most severe. There was great difficulty in getting these people placed, and during the later months of 1865 the Government felt obliged to pay private inn-keepers and others for the lodging of the immigrants who could not find employment. This was a very bad arrangement, but was rendered necessary by the fact that there were no depots in Adelaide for their temporary accommodation.

The drought of 1865 was followed by a period of severe depression. In origin this depression was unconnected with the drought, but the dearness of food-stuffs, consequent on the drought, made the depression fall severely on the working classes of the Province. As the year 1866 advanced conditions grew worse. The yields of the mines fell off, and simultaneously there was a heavy drop in the price of copper; no sooner had these troubles developed than they were greatly added to by the financial difficulties which beset the mercantile classes, owing to the crisis in England. These conditions naturally and speedily reacted on the working classes, and in April 1866 complaints of unemployment were common not only amongst those who followed grazing and farming, but also amongst town workers, especially in Adelaide. Two immigrant ships were at that time arriving monthly, thus adding to the numbers seeking work, and there was much resentment thereat in the minds not only of those already unemployed, but also of those who saw their present occupations likely to be taken from them. Towards the end of June there was a discussion in the Legislative Council in regard to unemployment and its connexion with immigration. It was admitted that too much rough mining labour was being introduced, but it was argued that there was still a good demand for skilled labour in Adelaide. This did not please the representatives of skilled labour, who declared that the demand alluded to by the members

of the Council was for labour at reduced rates, and the opposition to immigration, which always existed amongst the working classes, grew stronger daily. On 6th July 1866 a further meeting was held in Adelaide, at which a memorial was adopted asking the Government to stop assisted immigration and push on with the public works that had been planned, and for the construction of which about £400,000 had been accumulated. The meeting also asked for the repeal of Sutherland's Act, so that the whole of the land revenue might be spent on public works. The Government affected not to be influenced by this agitation, but there can be no doubt that it was influenced both as regards immigration and general policy. In August 1866 a "Political Association" of working men was formed in Adelaide, whose object was "the stoppage of immigration for the benefit of labouring men, and to place the whole question concerning labour fairly before the public, especially at the time of the Municipal and Parliamentary elections." This Political Association affiliated itself to societies at Wallaroo and Kadina; a very natural proceeding, as the mining community of Yorke's peninsula, to which these societies belonged, formed the strongest and most united labour element in the Province, and played the leading part in all labour movements of the period.

The harvest of 1866-67 was very good, but the price of wheat was not more than 4s. 6d. a bushel on the farms, a very low price at that time, and leaving little profit to the farmers. At the beginning of 1867 the squatters were still suffering from their recent heavy losses of stock, and many runs were quite deserted; mining continued depressed, and there had been many recent bankruptcies. In these circumstances it was not likely there would be much enterprise in the community. Unemployment increased so rapidly that immigration at the public expense was stopped, and the Government had to stand by helplessly and see a large number of persons, who had been brought to Adelaide at the public expense, making their

way to Victoria. There were many meetings of the unemployed, and continued pressure was brought to bear upon the Government to provide work for them, but without result until July 1867, when the Government arranged with the corporation of Adelaide to employ such men as offered themselves on road-making and other work about the city, and to provide half the money required for such employment. It was found impossible to put the men on piece-work, so they were offered 4s. 6d. a day, and as the majority of those who accepted the offer were quite unused to any sort of spade or pick-work, it is not surprising that the corporation found that the men could not earn even the moiety which it contributed, and after a few days' experience closed the relief works. The Government at once opened works at Rivoli Bay, and hastened to make available the various sums, voted by Parliament, for public works in different parts of the Province. Little of this money was for works near Adelaide, and the usual difficulty was experienced in getting the unemployed to accept country employment.

Expenditure more or less in the nature of relief was carried on for a few months, when the Government considered it had done all that was required of it, especially as offers of work for considerable numbers of men on railway construction and road-making met with no response. Meanwhile public meetings were held at Adelaide and at other towns, and the apathy of the Government and its general mismanagement of the unemployed difficulty were the constant theme of criticism and censure. The Government, however, held steadily to its determination, and no further efforts to find work for Adelaide men were made, cases of destitution arising from unemployment being left to be dealt with by private agencies. At the end of October 1867 there was a sudden improvement in the demand for labour, owing to the approach of harvest, and on the 22nd of that month the Commissioner of Crown Lands was sanguine enough to say that he "had no doubt that before many months it would be necessary to resume

the importation of labour." These expectations were very soon falsified. Red rust ruined the wheat harvest, the farmers had the smallest return that had as yet fallen to their labours, and unemployment was worse than ever. The rates of farm labour were as low as 10s. to 13s. a week, and wages in every class of employment, with the exception of domestic service, were also reduced. The following is a statement of the wages paid in March 1868 to servants on farms and stations who were hired by the year :

Bullock drivers	.	.	.	£40 to £45
Shepherds	.	.	.	30 „ 45
Married couples	.	.	.	40 „ 50
Ploughmen	.	.	.	35 „ 40

General farm servants were paid 10s. to 13s. a week, and rough carpenters 20s. to 25s., rations and sleeping accommodation being allowed to them as to all persons in yearly service. The change in the wages of mechanics may be seen from the following list, which refers to men in Adelaide paid by the day :

Stonemasons	.	.	.	8s. to 9s.
Plasterers	.	.	.	8s.
Bricklayers	.	.	.	7s. 6d. „ 9s.
Carpenters	.	.	.	7s. „ 8s. 6d.
Cabinet-makers	.	.	.	6s. „ 8s.
Builders' labourers	.	.	.	6s. „ 7s.

In the iron trades, the daily wages of blacksmiths and engineers ranged from 8s. to 10s. Miners were paid 6s. 6d. a day, and other men employed in and about the mines 5s. 6d., while the wages in manufacturing industries were usually 6s. or 7s. The wages of artisans show a considerable difference between the highest and lowest quotations. This did not represent a difference in payment for men of different degrees of skill; the highest wages were those acknowledged by the trades themselves, while the lowest were those accepted by the majority of the men in their anxiety to secure work. Domestic servants were still the only class whose wages were maintained; indeed, owing

to the stoppage of immigration, there was a slight increase, especially in the wages of servants of the better class.

The year 1868 was in many ways the worst experienced by the working classes of South Australia for many years, and there was a large amount of genuine distress, especially in Adelaide, where the Destitute Board and other charitable organizations were hardly able to meet the demands made upon them.

At the beginning of 1869 there were signs of a general improvement in industrial conditions. The harvest was much better than in the previous year, and than had been anticipated, and the prices were satisfactory, while the price of copper, which had been falling, became steady, and for a short time showed a tendency to rise. This improvement was not only not maintained but conditions grew worse, as the Government found itself compelled to discharge many of the men employed on public works owing to the exhaustion of its accumulated funds and the decrease in its land revenue.

As the year advanced there was a steady growth of unemployment, and in November 1869 a meeting of the unemployed was held in Adelaide, and a deputation was sent to the Commissioner of Public Works to present a memorial asking for employment. The tradition of Sir George Grey's method of dealing with the unemployed was still cherished in South Australia, and the Commissioner promptly informed the deputation that the people it represented could obtain harvest work if they wished, and in any case the Government had no money to expend on relief works. Nevertheless, the unemployed mechanics of Adelaide did not go harvesting, but remained at home in the expectation that something might still be done by the Government to find them employment. On 11th January 1870 the adjournment of Parliament was moved, "to consider the position of the working classes out of doors." The Attorney-General, speaking for the Government, declared that "too many men stayed in Adelaide

and, so long as the Government found work for the unemployed, they would be there to do it, and before taking any action the Government would make strict inquiry." It was admitted on all hands that artisans could not find employment at their own trades, but the Government was advised that they could find some occupation if they were willing to take low wages. In the end the Government thought it necessary to open relief works, and offered the unemployed work at trenching, with pay at the rate of 1s. 6d. per rod. This rate was not considered adequate, but "merely something to give them and their families subsistence for the moment." The men refused to work on these terms and sent a deputation to the Commissioner of Public Works, who then offered to raise the rate to 1s. 10d. per rod, but this offer was also disapproved. On the following day, 1st March, a crowd of men assembled at noon outside the Treasury Buildings and a score of them rushed in, "shouting, howling, and vowing vengeance on the Government." So ran the account in the newspapers. The mounted police were summoned and drove the crowd from the Treasury, but it reassembled before the Town Hall and held a meeting at which the men declared that they would not accept less than 5s. 6d. per day—the rate paid to labourers on the Government railways. They marched back to the Treasury and tried to beat in the door, which had been locked against them. The place was cleared by mounted troopers and the men then went to the Post Office, whence they were driven by the troopers with the flat of their swords. As a result of this rioting six men were arrested and sent for trial. But the Commissioner of Works recognized that 1s. 10d. a rod was not a fair offer, and arranged to pay piece-work rates which would allow the average earnings of a man to be 3s. per day; at the same time he offered to send men to the gold-fields and also to the south-eastern district where agricultural labour was needed. The majority of the unemployed who accepted this offer preferred to go to the agricultural districts, a few went to the goldfields, and less than a

hundred accepted the work of trenching. When the latter was finished, it was still necessary for the Government to find employment for the men and they were put to quarrying and stone-breaking. During the winter months the number of men employed on the relief works increased very much and in a report by the Adelaide Chamber of Commerce in August 1870 it was stated that "at no time in the history of the colony since 1852 has there been such universal depression as there is at present, or so universal diminution in the earnings of all classes." The wages of permanent pastoral and agricultural labourers remained unaltered, as did those of female domestics, but in all other employments there were reductions, although the nominal rates remained unchanged.

The number of men employed on relief works gradually increased until the beginning of October, partly by reason of an increase in unemployment and partly because the Government officers were able to induce more men to leave Adelaide than when the works were first opened. There was now no pretence of relating the pay of the men on relief work to the task accomplished; to married men 3s. a day was paid and to unmarried 2s., the ordinary wage of a competent navvy at the time being 5s. Towards the middle of October 1870 there was a great desertion from the relief works, only 233 remaining employed on the 17th of that month. The hay harvest had then begun and the demand for labour was so great that after a week or two the Government closed the relief works altogether. This was the end of the severe depression in the labour market, which had lasted more or less continuously for five years. From this time to the end of the period there was a continuous increase in employment. Under the new land law large areas of land were taken up which required to be cleared, grubbed, and fenced, and these operations called for a considerable amount of labour: agriculture expanded under the more favourable conditions of weather, and copper-mining, which had languished during the closing years of the 'sixties, now revived under the influence of an

increased price for copper. Employment throughout the Province became more regular, but there was still a margin of unemployment and the nominal rates of wages showed no increase, although the actual wages were better, as a larger proportion of men, especially of mechanics, received the maximum wages of their trade.

During the whole period of depression the demand for domestic servants continued to be in excess of the supply, and even in the year 1869, when trade conditions were so bad, it was suggested that the Government should spend £5000 in assisting the immigration of women servants. It was only the objection entertained in the matter of immigrating single women, not accompanying their families, that prevented the suggestion being adopted. The number of domestics in the Province had decreased since the stoppage of assisted immigration, and there was no probability of their numbers being increased, as the South Australian-born girls had the same turning from domestic service as had their sisters in the eastern colonies. Those who were under a necessity to work preferred the "freedom" of factory life to the performance of household duties, and entered the clothing factories, of which several of large size were then established in Adelaide. The wages of the girls employed in factories were much less than those of servants. As a rule their wages ranged from 2s. 6d. to 10s. a week, a few of the best workers earning 15s., whereas general servants earned 8s. to 11s. or even 12s. a week, and cooks and laundresses from 10s. to 15s. in addition to board and lodging.

The improvement in employment visible in 1871 continued during the following year, and on the approach of the harvest in October 1872 there was an actual scarcity of labour in the Province. The Government ordered a stoppage, for a time, of all but the most urgent public works, so that as much labour as possible might be available for field operations.

The general revival of prosperity throughout the Province was accompanied by a marked development

of trade unions, partly as a result of that prosperity and partly as a sympathetic consequence of the severe labour struggles which were at that time going on in England. The English labour troubles were fully reported in the Australian papers and were watched with keen interest by all classes of the community. The trade unions already in existence in South Australia were for the most part reformed and strengthened, and new unions established in all important trades that had not hitherto possessed them. Amongst the more noteworthy of these latter was that of the shearers, which was formed with the expressed purpose of "raising wages and improving the accommodation afforded to shearers on the stations." The first consequence of the formation of the unions was seen in a series of strikes, occurring between September and December 1872. In nearly all of these the strikers gained their way. One of the first was that of the men on the railway construction works, who struck successfully for increased wages and improved conditions of working. This was followed by a strike of the lumpers at Adelaide against the introduction of Melbourne men to work a new wool-pressing machine, which resulted in the intruders being withdrawn.

If the wages of the working classes of 1872 be compared with those of 1863, it will be seen that, on the whole, they had fallen somewhat. The wages of mechanics were generally about 1s. per day less at the later date than in 1863, while the average wage of farm servants had fallen from £48 to £42 per annum. As regards regularity of employment and cost of living, 1863 was on the whole the better year. The opening and closing years were, however, much the best of the period. The seven years, 1865 to 1871, were indeed lean years, when a nominally high wages' rate was maintained, which did not hide a much lower actual rate and the prevalence of much unemployment. In 1872 the working classes were, as a rule, thrifty and not unprosperous. A large proportion of them were depositors in the savings banks; friendly societies

were increasing their membership, and there was a great expansion of trade unionism.

Compared with their fellows in Victoria the working class of South Australia had as yet no great amount of political consequence, although their influence had decidedly increased since the gold period. They took no very definite part, as a class, in the important questions of land and tariff legislation, but the conduct of immigration was almost entirely decided by their action. As late as 1870 the treatment of superfluous labour, though much less harsh and unyielding than in previous periods, was, nevertheless, illiberal in comparison with that in the other Australian states.

WESTERN AUSTRALIA

At the beginning of the period the small demand for labour in Western Australia was fairly well supplied. In addition to the convicts, whose numbers were being constantly increased, the English Government was sending out some free immigrants. Wages varied considerably: many ex-convicts received extremely low rates for their very inefficient labour, but the few skilled artisans in the colony were usually paid about 10s. per day.

In 1863 and 1864 it was much debated whether transportation should be greatly increased or cease entirely. The economic condition of the colony would be vitally affected whichever decision was arrived at, and as long as the question was unsettled, so long would the owners of capital stay their hands. Even in February 1864, some months before the announcement of the stoppage of transportation, the Colonial Secretary wrote: "Depression has already commenced; for the want of means to undertake public works, the uncertainty as to the continuance of transportation, and the consequent stoppage of all private enterprise has caused the labour market to be overstocked, and a decrease in the price of all colonial produce, while there is much distress among the lower orders and a deter-

mination among those who have the means to migrate to the eastern colonies." Nevertheless the year 1865 was not unprosperous; for the first time the value of the exports exceeded that of the imports, and flour, also for the first time, was an article of export.

The summer of 1865-66 was marked by a shortage of rain affecting both farming and the pastoral industry, and the year 1866 was on that account very dull from the point of view of business; employment was rather difficult to procure although good labourers were growing very scarce. The three seasons, 1868, 1869, and 1870, were bad, and many of the farmers were reduced to such destitution that the Government felt itself obliged to remit the rents of many tenants who held tillage leases, and to distribute seed-wheat very liberally. The wheat was to be regarded as a loan, but when the time for repayment came many of the farmers were unable to meet their obligations, either in money or in kind, and were therefore allowed to pay for the wheat advanced to them by labour on public works.

There were at this time very few good agricultural labourers in the colony. The best men had migrated to the eastern states, and a large proportion of those who remained were idle and unfit for work. It is a strange anomaly that a poorhouse had already been necessary in so small a community as that of Perth; this house sheltered 30 men, and in 1868 gave outdoor relief daily to 200 persons, but the number demanding relief was fast increasing. The year 1870 was one of very great depression; for the third time in succession there was a bad harvest, and employment became so difficult to obtain that the Government felt bound to open relief works. In 1871 the poorhouse at Perth contained 75 men, of whom it was reported "not one will ever again do a day's work," and on an average some 250 other persons were in receipt of outdoor relief.

The census of 1871 showed a population of 24,785, of whom 1470 were prisoners still under detention; the free persons numbered 23,315, viz. 13,905 males and 9410 females, but a large proportion of the freemen were ex-

convicts. Immigration had ceased as the British Government refused to send out any more free immigrants. Female servants could hardly be procured, nor capable farm labourers ; indeed expert labour of any kind was difficult to obtain, and when a Victorian company began the construction of a jetty at Rockingham, and a railway thence to the Jarrah forests, it made no progress until it had imported the greater part of the labour required. There were, nevertheless, a considerable number of men unemployed, but practically all of them were unable or unwilling to do steady work. The character of the labour supply may be surmised from the rates of wages paid at this time. Domestic servants' wages ranged from £1 per month to £3:10s., and predial labour was paid at the rate of 1s. to 6s. a day, food being also supplied. Carpenters were paid 8s. a day and masons 7s.; for such wages competent service was required, but there were men who claimed to be following these trades who were paid 3s. a day. In other mechanical trades there was also a large range in wages' rates, which further indicated the indifferant character of much of the supply. Painters' wages ranged from 5s. a day to 8s.; blacksmiths' 6s. to 9s.; boat-builders' and coach-builders' 8s. to 10s.; in other trades the wages ranged from 6s. to 10s.: The skilled workers of the colony had to contend with a great deal of indifferent labour; poverty and distress were very prevalent; and when trade was slack there were always to be found men willing to accept half the wages required by a competent workman, and there were always persons willing to employ them. In 1871 the condition of labour appeared far from hopeful, and the people as a whole showed themselves lacking in resource, unless indeed it was to turn for help to the Government in every emergency. In 1872 the outlook was better; the character of the working population had not of course changed in the lapse of a year, but the Representative Council was at work, immigration had been revived, and a revision of the land regulations had been made with a view to giving easier access to the unoccupied

lands. Above all, new capital from Victoria was being introduced, and in the colony itself a hopeful spirit of enterprise was dawning; the pearl fisheries were being developed, and a commencement made with the opening up of the great forest wealth of the country. But competent labour was still lacking. The principal timber company arranged for the importation of Chinese labourers to work in its forests, and at the fisheries both Malays and aboriginal natives were employed. The Government was not at all keen to see coloured labour introduced, and was hopeful that immigration from the United Kingdom would soon render it unnecessary. During 1872 a few immigrants arrived from England, and some from the eastern colonies. All good labour at once found employment, and much more could have been absorbed.

In 1861 a discovery was made which gave promise of a great accession to the wealth of Western Australia. This was the finding of pearl-shell beds in the vicinity of Nickol Bay by Pemberton Walcott, one of F. T. Gregory's party in that year. Operations were first confined to the locality named, and the shells obtained from the reefs when laid bare by the low tides, or collected by diving in shallow water without the aid of any apparatus. The shallower inshore banks having for the most part been worked out, a little search led to the discovery of a practically inexhaustible supply of shell in deeper waters, and boat-diving was resorted to. Up to this time the pearl-divers were almost entirely aborigines, and the employers were mostly land-holders upon whose holdings the blacks lived. It is admitted that, taken as a class, the blacks were well treated; the masters needed cheap labour, and it would have been folly for them to irritate the blacks, who were the only source from which such labour could be supplied. Colonists in other parts of Western Australia had hostile encounters with the blacks from the beginning of their settlement, but at Nickol Bay the natives gave little, if any trouble, the settlers doing everything to win their goodwill. Before the pearling industry was begun, the squatters

had already taught the aborigines living near them what it was necessary they should know, in regard to the herding of sheep and general station work: the natives taking to these occupations with the greatest relish, learning also to love the white man's food and the white man's ways. But the business of a sheep station slackens off at certain seasons of the year, and the aborigines camped on a squatter's run were not disposed to move away when their services were no longer needed, and so lose the advantage of the white man's food; nor could the squatter afford to let them go, as by doing so there was a possibility he might lose their services altogether. The pearling industry offered an opportunity of employing the blacks all the year round, and by combining pearl-fishing with sheep-grazing, the squatters had two profitable openings for the employment of their black retainers. The landholders or squatters and the blacks lived together in peace for several years, and this amity would have lasted much longer, but for the fact that the profitable nature of the pearling industry became much talked about. Persons who were not pastoralists established themselves on the pearling grounds, and sought black labour on the same terms as those on which the pastoralists were able to obtain it, that is, for a nominal wage. Some blacks came to them, but not in numbers sufficient to man their boats, and the master pearlers began to seek for labour amongst the wandering tribes, not under the protection of landholders. Sir T. Cockburn-Campbell states that "nigger-hunting amongst the wild blacks became not unknown, nor other practices decidedly irregular." This is a very mild description of the operations of the class of speculative pearlers, who were bent upon getting their labour at the least possible cost, and whose black divers were nearly all impressed and retained in service only by force.

In consequence of the new element introduced into the industry, and the abuses which were declared to have arisen, the Government was compelled to pass legislation regulating the contracts made between the two races, and

designed to protect the interests of the blacks. But the conditions, under which the industry was carried on, were such that the modern device of a mutual agreement, enforceable at law, could not be applied to the pearling industry. The aborigines speedily learnt that their employers, whom they had considered the representatives and embodiment of British dominion, were, like themselves, the subjects of a greater power, and were not more privileged in the eyes of the law than their servants, black or white; and this knowledge made them in many cases so overbearing and quarrelsome that they became useless to their masters. The difficulty was not one that could be got over. The Government could not abandon the blacks to the generosity of the whites, many of whom were worthy to be trusted, but some of whom were little better than slave-drivers. Nor could the whites carry on an industry, in which discipline was so necessary, with men who, though little better than savages, had yet the privileges of citizens, when it came to a difference or dispute with their employer. The unsuitability of the aborigines for the pearling industry, when working under the protection of the law, did not affect the development of the fisheries; the place of the aborigines was taken by Malays, and the industry continued uninterrupted.

TASMANIA

The wages of a skilled artisan in Hobart and Launceston during the period 1863 to 1872 were ordinarily 7s. 6d. per day, and of an unskilled labourer 5s. 3d.; there was also a considerable body of inferior labour, both mechanical and unskilled, paid at lower rates. Farm labourers received from 10s. to 12s. per week, with rations and lodging, the rate depending partly on the age and skill of the worker, and partly on the district in which he worked. The wages of shepherds were still quoted by the year, and varied from £25 to £30; those of women servants had a very wide range, from £14 a year for rough, untrained girls, up to £30 or more for skilled domestics.

During 1863 and 1864 employment was not good, and in 1865 it was still worse; in August of the year last mentioned, there was a considerable body of men waiting for the opening of certain Government works that had long been promised. When contracts were given for these works there was a rush of unemployed to Hobart. The contracts were not large enough to employ the numbers scrambling for work, and the unsuccessful applicants, who formed a numerous body, held meetings to urge the Government to enlarge the scheme of its undertakings and so find work for all. This the Government decided to do, and, providing the men with the necessary tools, set them to work road-making, with pay at the rate of 5s. a day. During the harvest months of 1865-66 most of these "unemployed" were absorbed into agricultural occupations, but when that period was over they again assembled in Hobart, and the Government reopened the relief works, so as to give the men work during the winter months. A change of Government occurred at the close of the year 1866, and the new men, consequent on the unfavourable condition of the colony's finances, very greatly curtailed the expenditure on public works. But after the completion of the harvest in March 1867 a large number of men were left without employment or the likelihood of getting any, and very much against its will the Government had to establish relief works. On the works opened in the previous year the men had been paid 5s., or within 6d. a day of the market rate for their labour; they were now paid piece-rates calculated on a much less liberal scale; and in November 1867 a body of men engaged as stone-breakers at New Town came into Hobart to complain to the Colonial Secretary that at the rates allowed them they could earn only 1s. 3d. a day. He replied that he had no more money to give them, and, as opportunity offered, the men quitted the relief works, once more to take up agricultural or other predial occupations.

In 1867 a careful review of the wages then current was made by the newly-appointed statistician, and hereunder

is his statement of the rates current in the principal trades in Hobart and Launceston :

Blacksmiths	per day	.	.	6s. to 8s.
Boot-makers	„	.	.	3s. 6d. „ 8s.
Bricklayers	„	.	.	7s. „ 9s.
Carpenters	„	.	.	7s. „ 8s.
Masons	„	.	.	8s.
Tanners	„	.	.	5s. „ 6s.
Wheelwrights	„	.	.	6s.
Day labourers	„	.	.	4s. „ 5s.

In almost every case the rate paid in Launceston was about 1s. a day higher than that at Hobart. This was not due merely to a greater demand for labour in Launceston, which might have produced a movement thither from Hobart, although labour showed very little fluidity within the island, but arose from the circumstance that the better class of workmen were at Launceston. Hobart, on the other hand, contained a large proportion of men of convict origin whose work was slovenly and unintelligent. The wages of domestics ranged from 6s. a week to 12s. On farms, ploughmen and general labourers were usually paid 8s. to 10s. a week, and reapers and mowers at piece-work rates averaging 7s. and 3s. 6d. an acre. Shepherds were as a rule better paid than farm hands, their wages being £2 to £2 : 10s. per month. Board or rations and lodging were given to all farm and station hands and domestics.

Tasmania, at this period, was greatly affected by the conditions prevailing in Victoria, and in 1867 these were bad, owing to the stoppage of payments arising out of the deadlock between the two Houses of Parliament ; moreover, the price of all descriptions of agricultural produce was low, and the year was one of considerable depression. In 1868 railway construction was begun on the north side of the island, and there was therefore increased employment for unskilled labour, but in other respects there was no improvement. There was a decrease of cultivation and also of land devoted to pastoral purposes, and many of the

flocks were suffering from fluke. There was no improvement in employment during 1869, and the average rates of wages current in that year showed a decrease of about 1s. a day for skilled mechanics; the rates for unskilled labourers and predial workers and domestics, however, remained about the same as in 1867.

The census of 1870 showed that in the preceding ten years the island had made no industrial progress. There had been, it is true, a small increase in the total population (9351), but the number of able-bodied men had considerably declined.

The number of houses in the island had risen from 18,593 to 20,194, but the occupied houses at the two periods were respectively 17,566 and 17,949. More than 2200 houses stood empty in 1870, and a large number of these were in Hobart itself. The number of farmers had increased slightly, but the number of farm labourers showed a diminution from 8855 to 7054, and more serious than the diminution in their number was the steady deterioration in their quality. The better labourers had taken up land for themselves or emigrated, and those remaining were the old and the incapable. The same process, though less marked, was going on in other branches of labour, and would have been very much greater had the industrial condition of Australia from 1863 to 1870 been better. As it was, some of Tasmania's best mechanics deserted for Australia, and a larger number for New Zealand.

In August 1870 Lord Granville was informed by the Colonial Secretary, in reply to the circular despatch to which reference has already been made, that "there is a good demand for skilled agricultural labourers and good domestic servants, but, speaking generally, artisans are not wanted." He thought the colony could absorb annually 500 agricultural labourers, 200 female domestic servants, and 100 artisans. Events soon proved this opinion to have been mistaken. In the month when he wrote 187 German immigrants arrived, and it was not until the end of October that they had all obtained situations,

though nearly all were of the desired classes and there was no question as to their respectability or competence.

Industrial conditions grew steadily worse during 1871 and wages declined. In Hobart the wages of mechanics were from 6s. to 7s. per day, and very few men obtained the higher of these rates : day labourers were paid 4s. a day. In Launceston the usual rate for mechanics was higher, and day labourers received 5s. a day, but the influx of a handful of men would have brought down these rates by 6d. a day. Farm labourers in most districts received 10s. a week, and good ploughmen 12s., which was a slight advance on the rates of the previous year, but shepherds rarely received more than 10s. and often as little as 8s. ; this was a considerable reduction on former wages.

It was thought that the construction of the main line of railway across the island from Launceston to Hobart would absorb the surplus labour of the colony and lead to an advancement of wages, but the local labour proved inefficient, and most of the navvies employed had to be imported from the mainland of Australia or from the United Kingdom.

The year 1872 was the turning-point in the labour annals of Tasmania. Gold-mining, which had not previously given much employment, assumed some importance ; deposits of tin were discovered, and iron-mining was begun. Wages showed a tendency to improve, and this tendency became marked in the following year. The average daily rates paid in the more important trades were :

	<i>s.</i>	<i>d.</i>		<i>s.</i>	<i>d.</i>
Blacksmiths	8	0	Masons	7	6
Bricklayers	9	0	Wheelwrights	8	0
Carpenters	7	6	Day labourers	5	0
Engineers	9	0			

The wages of agricultural workers remained unchanged, but shepherds were paid from 10s. to 12s. a week, which was 2s. more than in the previous year.

Throughout the period the colony was handicapped

by having in the midst of its population a large number of paupers and criminals, the derelicts of its former bad social system. These were a direct tax on the State, which had to support them out of its not abundant revenue. They were a burthen to the working classes, who found it impossible to organize their forces so long as so large a body of inefficient workers surrounded them and penetrated their ranks. It was not until after the close of the period, and by the aid of an influx of strong contingents of mining labour, that the traditional inefficiency of the labour of the colony was overcome and brought to the level of that of the other parts of Australia. Hobart and its immediate district harboured the majority of these inefficient, and the Government maintained in that city a large establishment for paupers of the criminal class and another for destitute children. In 1872 it disbursed over £9200 in support of these institutions and in giving outdoor relief to indigent persons. Private philanthropic societies were also very active, and their efforts were liberally subsidized by the Government. Hobart and, to a lesser degree, Launceston wore an air of indigence not seen in any other part of Australia, which did not entirely disappear until long after its cause had ceased to exist.

VI

THE INTRODUCTION OF COLOURED LABOUR INTO QUEENSLAND

PROPOSALS to import coloured labour had been made in Queensland before its separation from New South Wales, and it will be remembered that a small number of Chinese were introduced into the Moreton Bay district and that a not very successful attempt was made to employ them as shepherds. The ostensible reason given for the demand for coloured labour was the heat of the climate, especially of the northern districts, and so far as it was due to this cause it was accentuated by the development of the cotton and sugar industries, which occurred immediately after the separation of the colony. But there were other and more potent reasons which induced the settlers of Moreton Bay to seek for coloured labour, in fact the same reason as led them formerly to petition for convict labour. They looked to coloured or convict immigration to provide them with large numbers of men unencumbered by families, who would accept low wages and who could be bound for lengthy terms of service. It was the desire for convict labour which first led to the demand for separation from New South Wales, and which first led English statesmen to look kindly upon that demand. Before the actual separation could be made the Queensland settlers were compelled to give up the hope of obtaining convict labour, and they turned naturally to coloured labour as a substitute. The first scheme, officially put forward, was for the importing of Chinese labourers in large numbers, but the British Government would not allow the Queensland

Government to take any part in promoting this immigration, unless it was prepared to regulate the conditions of service. This it was not, at the time, prepared to do, in view of the trouble Victoria and New South Wales were having with the Chinese on the goldfields. A proposal was then made for obtaining a supply of coolie labour from India, in the same way as did the West Indies and Mauritius. The matter was referred to England, and copies of the laws regulating this immigration were sent to Bowen. The two houses of the Legislature thereupon passed resolutions affirming the competency of the Governor to devise regulations, in conformity with those framed for the West Indies and Mauritius. In consequence the Governor drew up regulations prescribing the conditions of service for imported Indian coolies, which generally followed the lines of those existing in the Mauritius. A proclamation authorizing the introduction of such persons into Queensland was also prepared, and these documents were submitted to the Colonial Office. As the Legislature had omitted to pass any Act which would give these regulations the force of law, the English Government had to withhold its sanction to the proposed immigration, and the papers were returned to the colony so that the omission might be supplied. During 1862 an Act was passed giving legislative force to the Governor's regulations, but in spite of all the preliminary work Indian coolies were not introduced. In 1864 the Government of India issued a proclamation permitting the recruiting of Indian coolies for Queensland by properly accredited agents, but no such agents were appointed. Coolie labour had been desired largely for the cotton industry, and by the time the sanction of the Indian Government had been obtained the idea that Queensland would develop into a great cotton country had been given up. English capitalists had not come forward, as it had been anticipated they would, to promote the enterprise. Above all, however, such cotton and sugar plantations as there were had found another source of labour, untrammelled by Government regulations.

Captain Robert Towns had established a cotton plantation near Brisbane. He had long been engaged in trade with the South Sea Islands and, in August 1863, he imported in his own ship six South Sea Islanders to work on his plantations. This was not the first time that such labour had been employed in Australia—it was imported into New South Wales and Victoria some twenty years before—but it was the beginning of a regular importation of Kanakas to Queensland. Towns had engaged the natives for six or twelve months at a wage of 10s. a month, in addition to food, lodging, and clothing. He had also undertaken to return the men to their homes at the end of twelve months. As soon as this experiment was found to be successful, other persons began to introduce Kanakas. Few of the planters were able, like Towns, to obtain the men direct from the Islands, and so there grew up a regular trade in the recruiting of Kanakas, carried on by the masters of schooners and other sailing vessels. The Islanders were landed at first at a cost of £8 a head, the price increasing with the demand to £12. A precisely similar trade had existed for some time with Fiji, and a good many New South Wales shipowners were involved in it. The Fijian trade was carried on with gross brutality; the unfortunate Islanders were purchased from the chiefs for a trifling sum in “trade,” or, where this easy method failed, they were kidnapped in the most barbarous manner. Their subsequent treatment was equally brutal, and the horrors of the Fijian business undoubtedly involved the Queensland traders in greater obloquy than even they deserved. From 1863 to 1868 Kanaka labour was employed in Queensland without any regulation whatever. The labourers cannot even be regarded as having had the protection of the common law, for, as they were unable to give evidence, they could obtain no redress for ill-treatment unless they could obtain European witnesses, which in the conditions of their employment was practically impossible. In justice to the planters it may be admitted that the bulk of the Islanders were treated fairly well on

the plantations, and some were sent back to the Islands when their period of service expired ; but in many cases the men were detained against their will, their wages were not paid, and they were ill-used if they complained. Being put to hard and unaccustomed work the mortality amongst them was very high, reckoning the registered deaths, but it was a matter of common knowledge that the notification of deaths was very incomplete. During the five years following Towns' first essay with Kanaka labour about 2100 Islanders were brought to Queensland ; of these 277 were returned to the Islands, 1539 remained on the plantations, and nearly 300 were dead or missing. The fate of the returned men was frequently worse than if they had been detained in semi-slavery. The masters of the labour vessels undertook to return them to their own Islands ; too often they were dropped at an Island somewhere near their homes, probably amongst enemies of their own people, and they speedily met the fate that cannibals are accustomed to mete out to strangers. Unchecked by any restraint of law the traffic in Kanakas grew apace, and in default of other cheap and helpless labour they were employed on sheep stations as well as on the cotton and sugar plantations. This increase in their numbers and the extension of their employment, did not take place without rousing considerable feeling against the system. There was naturally the objection of all right-minded men to a traffic which partook of the worst features of slavery, and there was the strong economic objection of the working classes, that the introduction of these Islanders tended to depress wages and diminish the avenues of employment open to white men—a feeling which began to show itself very strongly about the middle of 1866. Public meetings were held to denounce the system, at which these two currents of opposition found expression. Thus a petition adopted at a public meeting in Brisbane in January 1868 prayed that “ Her Majesty would be pleased to prohibit this traffic in human beings as being a development of the slave trade ” ; but it also contained

the following passage: "Your petitioners have regarded with dismay the introduction of an inferior and uncivilized race into this colony to supplant the British and European labourers, as it will have the effect of reducing to destitution and inactivity the working classes of the colony who have been induced to emigrate here in large numbers in the hope of finding . . . an independent home and permanent employment."

The second of these arguments was one to which neither the Queensland Government nor the Colonial Office found it necessary at that time to pay much attention; but the first, although it might be overlooked in Brisbane, could not fail to claim the attention of the authorities in England. The Colonial Office has always been on the side of the weaker races, and the humanitarian argument received strong support from it; but there was also the fact to be recognized that the evil practices of the recruiting crews led frequently to reprisals by the outraged Islanders, whose vengeance unfortunately fell alike on all, innocent and guilty, who came within their reach.

In March 1868 an Act was passed in Queensland "to regulate and protect the immigration of the South Sea Islanders." It provided that every vessel in which labourers were brought to Queensland should be specially licensed, that they should be inspected on arrival by an officer of the Government, that their wages of £6 a year with food and clothing should be regularly given them, and that they should be repatriated when their term of service was over. It was alleged that this Act was frequently evaded, and a committee was appointed in 1869 by the Legislative Assembly to inquire into the allegations which had been made. This committee came to the conclusion that the evidence given did not prove that immigrants from the South Seas were obtained by force or fraud; nevertheless, it advised that agents of the Government should be on board all recruiting vessels, that efficient interpreters should be employed to explain the nature of the contracts to the Islanders, and that the recovery of wages due should

be made more easy. It also expressed the opinion that "while the interests of humanity demand that all care should be taken of these men, no unnecessary obstacle should be thrown in the way of their introduction." An amending Act carrying out these recommendations was passed in 1869, but the opponents of Kanaka immigration were by no means satisfied. The Colonial Office was again appealed to by the local opposition as well as by several English Missionary Societies, whose agents in the South Seas had been eye-witnesses of some of the outrages perpetrated by the crews of licensed vessels. These demanded that the traffic should be stopped altogether. The question was referred to the Imperial Emigration Commissioners for their consideration, who reported that in their opinion the South Sea Islanders were generally well treated in Queensland, that the Government had every intention of protecting them, and that the labour was necessary. The report of the Commissioners by no means satisfied the opponents of the Kanaka traffic. They derisively pointed out that it was never contended that the men were not generally well treated, as it always paid masters to treat their slaves well; the good intentions of the Queensland Government were not doubted, but something more than good intentions was wanted, as it was admitted on all hands that some of the men were ill-treated on the plantations and had no remedy against their ill-users; and as regards Kanaka labour being necessary, it was better that the cultivation of sugar should die out than that a barbarous traffic should be allowed to continue, and bring disgrace on the British name.

The British Government, fortified by the report of the Imperial Emigration Commissioners, and desirous of not creating trouble with the Queensland Government, did not wish to interfere; but the condition of the traffic, especially with Fiji, which was at that time under the nominal government of its own chiefs, grew so bad that strong action had to be taken to prevent the South Seas becoming a veritable pandemonium. In June 1872 the

British Parliament passed an "Act for the prevention and punishment of criminal outrages upon natives of the Islands in the Pacific Ocean." This Act made it unlawful for any British ship to carry native labourers of the Islands, unless the master and one sufficient surety had entered into a bond for the sum of £500, and had obtained a licence. The Colonial Courts were empowered to try such offences as decoying and receiving natives, or fitting out ships for the purpose. Power was given to seize suspected vessels, and a cruiser was sent to the South Seas to enforce the Act.

The Queensland legislation in regard to the immigration of Kanakas was not superseded, but its working was greatly modified by the superior authority of the Imperial legislation. There had been a large increase during 1871 in the numbers of Islanders brought to Queensland, but the Imperial legislation of the following year put a stop to the illegal traffic, as the masters of labour schooners had a wholesome fear of the captain of a British man-of-war.

VII

PRICES

NEW SOUTH WALES

THE early years of this period were marked in New South Wales by general depression in public affairs and commercial stagnation. The finances of the colony were in a very unsatisfactory state, the expenditure in almost every year from 1862 to 1872 exceeding the income, and the various treasurers seemed unable to devise a scheme for making ends meet. No doubt Australia laboured at this time under a reaction from the fever of the gold discoveries, and although this reaction affected New South Wales very much less than Victoria, as there was at the beginning of the period an actual increase in its production of gold, it did not escape the penalty which nations as well as individuals pay for undue excitement. Emigration from Europe fell off very greatly, and but for the action, not very vigorous it must be confessed, of the New South Wales Government in assisting immigration, there would have been scarcely any arrivals in the colony from Europe. Speaking generally, the immigrant who came to Australia on his own initiative and at his own expense made a better colonist than the Government-assisted immigrant, and the lack of such persons was felt the more, because the colony had lost and continued to lose a large number of its citizens to Queensland.

There is a close analogy between the long period of depression from 1842 to 1851, which in New South Wales followed the development of the Port Phillip district, and

that which followed the separation and rapid expansion of Queensland. In each case capital was supplied largely by the parent colony, and, what was still more important, it gave to the new colonies their most enterprising pioneers, men whom it could, at that time, ill afford to lose. To this loss of men and money must be attributed the dullness and lack of enterprise that characterized the two periods, which contrasted very markedly with the restless energy to which they succeeded. New South Wales had, in fact, drained itself of a portion of its life-blood to found these colonies, and it suffered for such time as was necessary to renew the current at its heart.

This lack of energy in New South Wales was common to all branches of industry ; it was relieved somewhat by the enterprise of Victorian pastoralists and financial companies, but was aggravated, so far as some industries were concerned, by remarkable seasonal disturbances, of which more will be said later on. Prices, too, were against the producer, as on the whole their tendency was downward, the fall between the beginning and the end of the period being about 14 per cent. In 1862 the price of wool was high, and though it remained so for several years there was a gradual decline to 12·9d. per lb. in 1869, and then a sudden drop to 9·9d. in 1870, when the Franco-Prussian War greatly affected the market for fine wools. In 1871 there was a recovery to 13·4d. per lb., and in 1872 to 15·5d., but the improvement was not sustained. This decline was not due entirely to the general change in wool prices in the English market ; some part was attributable to lack of attention bestowed on the quality of the wool by the small growers of the colony, who in this respect compared unfavourably with the growers south of the Murray. The larger growers still gave attention to the production of wool of good staple, as may be seen from the fact that Riverina wool, which was mainly the production of large estates, was several pence a pound higher in price than the ordinary wool of the colony.

The average price of greasy wool, the produce of the

colony, exported in each year of the period, was as follows :

1862	.	.	19·4d.	1868	.	.	15·2d.
1863	.	.	17·3d.	1869	.	.	12·9d.
1864	.	.	19·1d.	1870	.	.	9·9d.
1865	.	.	15·7d.	1871	.	.	13·4d.
1866	.	.	16·0d.	1872	.	.	15·5d.
1867	.	.	16·2d.				

The prices of many articles of common consumption were greatly affected by the periods of alternate drought and flood through which New South Wales passed during the greater part of the period. The colony had never relied entirely upon its own production of wheat ; nevertheless, the very scanty harvests which were gathered in some of these years, both in the colony itself and in several of its neighbours, raised the price of bread-stuffs considerably. The price of meat and dairy produce was also affected by the same causes, as were indeed the prices of vegetables and all farm products ; in the case of the latter, where there was no competing import to check a sudden rise, there were occasionally some very great fluctuations in prices. As the period advanced, articles of common use, such as tea, coffee, rice, oatmeal, salt, and starch, which were entirely imported, were not subject to fluctuation, but showed a general fall in price, agreeably with the like tendency in other parts of the world.

The extraordinary weather conditions of the period have already been referred to. The summer of 1861-62 was marked by severe drought, succeeded in February and March 1862 by torrential rains in the west and south, bringing on floods in those districts. A long period of dry weather followed, and in September there was every sign that the cereal and hay crops would not come to maturity, and as grass was also getting scarce the farmers found it expedient to cut the young green yields in order to supply fodder to the cattle. A little later the distress of the graziers and farmers was added to in many districts by the ravages of bush fires. In some other respects the year

1862 was not an unprosperous one in New South Wales. The gold yield was 575,538 ounces compared with 402,634 ounces in the preceding year, and there was a marked increase in the output of coal.

The average price of wheat during 1862 was 7s. a bushel, and in Sydney the quartern loaf was sold for 10d. ; meat was 4d. per lb. and fresh butter 2s. 3d., taking the average of the whole year, although in November and December it was from 1s. 6d. to 2s. per lb. The colony was at this time practically dependent for its supply of butter on its own producers, as very little salt butter was then being obtained from Ireland. Vegetables of all kinds were dear, and potatoes, which were the stock vegetable, cost from 14s. to 16s. per cwt. As the summer of 1862-63 advanced the price of wheat fell, so that it stood at 5s. 6d. per bushel in January 1863, bread being 8d. per quartern. The wheat harvest was only about 1,000,000 bushels, not two-thirds of that gathered in the preceding year, and in order to ensure the planting for the following season the Government distributed seed-wheat to some 1200 farmers, at an outlay of £11,480. It was understood that one-half the cost of the seed was to be paid at the time of distribution and the balance in May 1864. In the issue, however, the majority of the farmers did not pay the second instalment, alleging their inability to do so.

In February 1863 the drought broke up, but owing to the prevalence of rust, the wheat crop amounted only to 808,919 bushels, 200,000 less even than the poor harvest of the preceding year and but half that gathered in 1861-62. Short crops were general in Victoria and Tasmania also. To meet the shortage the merchants placed their orders in California, but that State was also affected by drought, and in the end supplies of wheat and flour were procured from South Australia and from Chili, the importers reaping large profits from their enterprise. In March 1864 the price of flour was £25 per ton, and the quartern loaf was 1s. The stocks of bread-stuffs were very low, and at one time, during that month, there was not four days'

supply of flour in Sydney, as ships expected from Adelaide had been delayed by contrary winds. Throughout the year the price of flour was subject to great fluctuations owing to the uncertainty of supplies ; the highest wholesale price reached was £28 a ton at the middle of May, the average for the whole year being £24. The price of bread at times was 1s. 3d. the quartern loaf, and the average for the whole year was 11d.

For pastoralists the year 1864, taken as a whole, was not unfavourable, and in some districts feed for cattle and sheep was excellent. Meat was somewhat cheaper than in the previous year, the average price both for beef and mutton being 4d. per lb. Butter was very dear at certain periods both in 1863 and in 1864, but the average price in both years, viz. 1s. 6d. per lb., was considerably less than it was in 1862.

In spite of the very heavy rains early in the year the growing crops suffered from want of rain, after June droughty conditions again prevailed, and the harvest was much less than in normal years. In January 1865 the best flour was selling at £21 per ton, which was the lowest price for the year ; in September the price was £23 and in October £26, the quartern loaf being then sold for 1s. 1d. to 1s. 2d. These prices remained unchanged until after the close of the year.

Under the influence of the drought the greater part of the country was entirely bare of feed, and sheep and cattle were on the verge of starvation, as with hay at £12 to £14 a ton on the farms it was unprofitable to feed them. A large number of sheep and cattle were killed to save their feed, but there was not much boiling down for tallow, as most of the stock killed was very lean. The lack of fat cattle sent up the wholesale price of meat in Sydney during September and October to 3½d. per lb., and in the shops mutton was usually retailed at 5d. to 6d., beef 4d. to 5d., and pork at 7d. per lb. In the early part of the year the average retail price of beef and mutton had been only 3d. per lb.

The drought gave way to some extent in November 1865, but even in May 1866 it was reported that, except in the back country, the bush had "the look of a desert, hardly a blade of grass to be seen and water so scarce that drinkable water is hardly met with once in a day's ride, hay is selling at £20 per ton, and the appearance of the starved cattle is dreadful to behold." Towards the end of May heavy showers fell and farmers were able to plough and sow, but it was once more necessary for the Government to distribute seed among them, especially in the western districts, where the drought had been most severe.

The price of flour was still £24 a ton in January 1866, but in February it dropped to £22 and in April to £18. The harvest had been a failure except in the late districts, but the lack of home-grown wheat was compensated for by large importations. During the year nearly 1,100,000 bushels of wheat and 30,000 tons of flour were imported. As these quantities were in excess of the requirements of the colony, the price of flour fell, and many of the merchants lost money over their transactions. From May to September the price of flour was £15 to £17 a ton according to quality, and the quartern loaf about 9d. ; in November, in the expectation of a good harvest, flour was sold at £12 to £14 a ton and bread was 5d. to 8d. a quartern, according to quality, the 5d. loaf being very inferior.

The financial difficulties of the colony during 1866 were very great. The report of the panic in the English money market and of the disasters following thereon was received in the colony early in June, and led immediately to a contraction of credit by the banks. As the Government of New South Wales was in the local market as an urgent borrower, there was very great monetary stringency. Both the Agra and Masterman's Bank and the Queensland Bank, which stopped payment, had agencies in Sydney, and rumours in regard to other institutions gained currency. A large amount of New South Wales capital was at this time invested in Queensland properties, so that it was not unnatural that the financial crisis at Brisbane should react

strongly on New South Wales, and, in fact, confidence was not again restored in Sydney commercial circles for several months.

The weather conditions during 1866 were excellent, and, not only in New South Wales but throughout Australia, the harvest was very abundant and greatly in excess of any previous yield. Meat was cheap throughout the year, varying from $2\frac{1}{2}$ d. to 3d. per lb. The year 1867 opened with every indication of low prices for a considerable period, and in March the following were the prevailing retail prices in Sydney :

Bread, per 4-lb. loaf	.	.	5d. to 8d.
Beef, per lb.	.	.	3d. to 5d.
Mutton, per lb.	.	.	3d. to 5d.
Pork, per lb.	.	.	7d.
Butter, per lb.	.	.	1s. to 1s. 3d.
Colonial cheese, per lb.	.	.	6d.
Bacon, per lb.	.	.	6d. to 1s.
Eggs, per doz.	.	.	1s. 6d. to 1s. 9d.
Potatoes, per cwt.	.	.	6s. to 9s.

These prices remained fairly constant during the year. The price of bread did not alter but meat grew cheaper, and in October the retail price of mutton was $1\frac{1}{2}$ d. per lb. for half a sheep, 2d. for joints, and 5d. for best cuts of beef. The year 1867 was marked by heavy floods attended by loss of life and property, but in the early months of 1868 there was a return of very dry weather which affected agricultural and pastoral pursuits, yet not so severely as to make any very marked change in the price of agricultural produce other than wheat. In May 1868 the following retail prices were current in Sydney :

Bread, per 4-lb. loaf	.	.	8d. to 11d.
Beef and mutton, per lb.	.	.	$1\frac{1}{2}$ d. to 5d.
Pork, per lb.	.	.	4d. to 8d.
Butter, per lb.	.	.	1s. 3d.
Cheese, per lb.	.	.	6d. to 1s.
Bacon, per lb.	.	.	8d. to 1s.
Eggs, per doz.	.	.	1s. 3d. to 1s. 6d.
Potatoes, per cwt.	.	.	6s.

After an interval of more favourable weather dry conditions again set in, and such rain as came fell just at the proper time for the growing wheat ; but the pastoral districts were very short of grass, especially towards the end of the year. In spite of this, prices as a whole were considerably lower in 1869 than in the preceding year. The 4-lb. loaf was sold at 7d. as compared with 8d., beef was 2d. instead of 3½d., and potatoes 4s. per cwt. instead of 9s., taking the average of the two years.

The harvest of 1869-70 proved to be extraordinarily abundant, the yield far exceeding even that of 1866-67. Flour was sold at £10 : 10s. to £14 : 10s. a ton during 1870, and the average price of the 4-lb. loaf was 7d. Meat, however, was dearer than in the preceding year, and the average price of beef and mutton was 3½d. a pound. There was a revival in 1870 of the practice of boiling down sheep for tallow, and this helped the graziers to dispose of some of their surplus stock, and incidentally to increase the price of fat sheep. The first half of 1870 was marked by a recurrence of heavy floods in the coastal rivers, accompanied by much damage to land and crops ; the harvest of 1870-71 turned out very badly, and trade was dull. But the time had passed when the local production was an important consideration in determining prices, and during 1870 and 1871 retail prices of foods were singularly free from the fluctuations that would have occurred in previous years under like conditions.

Butter was retailed throughout 1870 and 1871 at 1s. 3d. a pound, which was a lower average for a long period than was experienced for twenty years. Dairying was beginning to show signs of development, and there was even a small export of butter to England, chiefly from the Kiama district. The quality was not good, at least by the time the butter reached England, and it fetched a very low price ; experimental shipments made to Hong-Kong were more successful, and mark the beginning of an important trade with the East.

The price of wool had been low during 1870, owing to

France and Germany being at war, and the total value exported from New South Wales during that year was only about £2,750,000; in 1871 the value was just two millions more, and the average price per lb. nearly 40 per cent above that of 1870. There was also a considerable increase in the production of gold, the amount won during 1871 being valued at about one and a quarter million sterling, which was the largest production since 1864. This increase was coincident with a great revival of interest and enterprise in mining of all sorts, and altogether the year was one of trade expansion. In 1871 communications with the United Kingdom were so well established that there were no longer great fluctuations in the prices of any articles of regular import; rice, which was largely consumed, was usually sold in Sydney at 2½d. per lb., oatmeal at 3d., coffee at 1s. This coffee was largely adulterated with chicory—perhaps to the extent of one-third. Tea was 2s. 3d. per lb., colonial beer 3d. a pint, soap 3d. per lb., salt ¾d. per lb., imported tobacco 3s. per lb., and colonial tobacco 1s. The growth of the plant was mainly in the hands of Chinese, by whom the curing of tobacco was not properly understood. At its first introduction it was used almost entirely as a sheep-wash, but its use for smoking extended, although it may well be imagined that colonial tobacco was not exactly suited to a palate which was in any way delicate or refined.

At the beginning of 1872 the improvement in the markets for Australian produce was very marked, and in April of that year the *Herald* reported that “the rise in the price of wool, the great demand for meat, the higher prices of copper, tallow, oil, and other articles of export, have put the people who were formerly embarrassed at their case.” The total value of the New South Wales produce exported during 1871 was £9,227,108 as compared with £6,334,907 in the previous year, and a large proportion of this increase was due to higher prices. After so many years of stagnation this sudden change in the market conditions favoured a development of speculation, and as

numerous mineral discoveries had recently been made the tendency was towards mining speculation. No fewer than 127 gold-mining companies were launched during the first four months of 1872, involving a capital of about two millions; six copper-mining companies and seventeen tin-mining companies were also formed. In many cases the shares in these companies passed from hand to hand at a high premium, while no attempt was made to develop the properties.

The banks, which had exercised great restraint over their operations since the Queensland crisis, now greatly expanded their activities, and, though there was no great advance in deposits, they increased their discounts and expanded their circulation. Money was plentiful for all kinds of investments, and the Government, which in 1867 had considered itself fortunate in placing a 5 per cent loan at about 83½, was able to sell its 5 per cent two-year bonds in the colony at a premium of 81s. per £100. Never before had the Government been able to borrow under such favourable conditions.

The colony had now reached a stage when there was likely to be little variation in retail prices, except those of local produce affected by seasonal conditions, and with few exceptions the prices of household goods given for 1871 still held good. There was, however, an advance in the price of bread from 7d. the quartern in January to 8d. in July and 9d. in September. Beef and mutton remained during the whole year at 2d. to 5d. per lb. according to quality. Butter showed the usual seasonal fluctuations in price, but it was on the whole cheaper than it had been for many years. The retail price of fresh butter in Sydney from January to March, and again in November and December, was from 9d. to 1s. per lb., and in August, which is usually the dearest month, the price was only 1s. 6d.

At the beginning of the period sugar was retailed at 5½d. per lb., but the price fell by successive halfpennies until 1866, when it was 4d. The fall in sugar was in the first place due to a general change of price in the world's

markets, but locally-refined sugar figured in Australian consumption in considerable quantities before the close of the period, and brought about a reduction in the price of the commoner sorts. Coincident with the reduction in price there was a perceptible improvement in the quality of the sugar sold. In 1861, and for several years thereafter, the sugar used in ordinary households was of common quality, dark and moist ; in 1872 it was still usually moist, but free from most of its old colour and impurities.

House rent remained an important item in a workman's expenditure, and showed no decline during the period, but the accommodation provided was generally better ; new houses were usually of brick, and some little regard was paid to sanitation. In Sydney itself there was a good deal of overerowing. The worst offenders in this respect, but by no means the only ones, were the Chinese. In the districts suburban to Sydney it often happened that the cottages in which workmen lived were owned by them. Building societies were very popular, and it was through their instrumentality that workmen were able to become their own landlords. Four rooms, one of which was the kitchen, constituted the ordinary house inhabited by a workman, or four rooms and a kitchen where the family was large and some other member as well as the father an earner. A garden of some size would be attached to such a house in the suburbs, but in the city workmen's houses were usually in terraces without much garden or yard space. The rent varied according to the ground occupied and the character of the rooms. In the city of Sydney the average per room was about 2s. 6d., so that a four-roomed house cost approximately 10s. a week, and four rooms and a kitchen 12s. or 14s. ; in the nearer suburbs the rent of a four-roomed house was from 6s. to 8s., or where there was a separate kitchen from 8s. to 10s. a week ; and in the remote suburbs the weekly rent was about 1s. 6d. less than nearer the city. In the more progressive country towns rents of workmen's dwellings were higher than in Sydney ; for a cottage of four rooms 9s. to 12s. a week was usually

obtained, and where there was a kitchen in addition 10s. to 15s.; but many old-established towns had lost their importance, and in these cottage rents were rarely more than 1s. 3d. a room.

At the beginning of the period coal was very cheap, the best Newcastle selling at the pits for about 7s. per ton, and common qualities at 3s. 6d. In 1864 an agreement was proposed between the different coal companies with the object of avoiding competition and maintaining a remunerative price, but the representatives of the companies failed to come to an agreement, and in 1871 the best coal was still selling at 7s. to 8s. per ton.

There was some decrease during the period in the price of clothing, particularly of the cheaper sorts. The introduction of the sewing-machine made an entire change in the ready-made clothing trade, and enabled the local manufacturers gradually to secure for themselves the local market, in all classes of goods into the making of which labour did not largely enter. Taking ready-made articles of apparel, the following statement roughly indicates the change in prices of men's attire between 1862 and 1872 :

	1862.		1872.	
	s.	d.	s.	d.
Shepherds' coats . . .	17	6	16	0
Moleskin coats . . .	7	6	7	0
Moleskin waistcoats . . .	4	6	4	6
Moleskin trousers . . .	5	6	6	6
Coloured shirts . . .	4	0	3	6
Boots (strong) . . .	9	0	5	0
Shoes (strong) . . .	6	6	4	3
Straw hats . . .	3	6	2	9

The reductions shown in this statement amount altogether to about 18 per cent, allowing for the quantities used, and indicate the extent of the cheapening that had taken place. A table of a similar kind for articles worn by women cannot very well be given, as in the interval between 1862 and 1872 a very great change took place in the description of clothing worn, also in the quality and

range of value. Thus in 1862 the clothing lists quote one price, 5s. each, for print dresses which in 1872 ranged between 2s. 6d. and 7s.; calico was 6d. a yard in 1862, in 1872 it ranged in price between 4d. and 9d.; white straw bonnets were 3s. 6d. in 1862, and from 1s. to 3s. in the later year. Taking the whole range of women's clothing, for like articles it is probable there was a reduction of 15 per cent during the period, but like articles were not used at the beginning of the period as at the end, and the cost of the clothing of women in working-class families was certainly not less in 1872 than it was in 1862.

VICTORIA

At the beginning of 1862 the prices of food and clothing in Victoria were low, as they had been for some time previously: wheat was selling at 5s. 6d. to 6s. a bushel, flour at £13 to £13 : 10s. per ton, and bread at 7d. to 8d. per quartern loaf. The retail price of beef was 2d. to 3d. per lb. according to the cut, mutton 3d. to 4½d., and pork 6d. to 9d.; fresh butter was 1s. to 1s. 2d., tea 2s., and sugar 4¾d. Milk was usually sold at 6d. per quart, and eggs at 2s. to 2s. 3d. a dozen. Melbourne was no longer dependent upon Tasmania for its fruit and vegetables, but was well supplied from Brighton and the neighbourhood, whence about £3000 worth of garden produce was brought to market weekly; prices, however, still remained fairly high.

In April 1862 a period of long-continued rain set in, followed by heavy floods; the seed rotted in the ground, and the conditions pointed to a deficient harvest at the end of the year. Nevertheless the price of flour remained at £13 to £14 per ton, as it was expected that any deficiency in the supply could be made good from Adelaide. In November the weather became intensely dry and grass was scarce; there was a shortage of fat stock, and the price of meat and dairy produce quickly rose, so that in April 1863 beef was retailed at 5d. to 7d. per lb., mutton 4d. to 6d., pork 8d. to 9d., bacon 1s. 2d. to 1s. 4d., and

butter 1s. 6d. to 1s. 9d. ; milk was 8d. to 9d. per quart, and eggs 2s. 9d. to 3s. a dozen. Bread was sold at from 5½d. to 7d. the quartern loaf, the lower price being for bread made of inferior flour. In October 1863 bread was usually sold at 7d. to 8d. the quartern, best flour being then £15 : 10s. per ton, falling a month or so later to £14.

In the middle of December there were great rain-storms succeeded by floods ; the Yarra, the Plenty, and other rivers overflowed their banks, causing much injury to the growing crops. In other parts of Australia similar floods occurred ; in consequence the harvests were bad, and wheat rose in price, so that in February 1864 flour was £18 to £20 a ton, and the quartern loaf cost 9d. Stocks throughout Australia were very low, but in view of large consignments expected from California and elsewhere flour fell to £16 to £17 per ton. The looked-for supplies not arriving, the price rose during March to £25 per ton, and the 4-lb. loaf was sold in Melbourne for 10d. to 1s. From March to June 1864 the price of flour ranged between £22 and £24 a ton ; early in July the best flour was selling at £29 to £30 per ton, and during the remainder of that month and in August the price of the quartern loaf was 1s. to 1s. 3d. During September the price of bread dropped to 10d. or 11d., flour being then sold at £25 per ton.

The pastoral industry of Victoria was during this time in a fairly good condition, the price of beef and mutton declined a little, and, generally speaking, the prices of other home-grown articles of food were comparatively low. Towards the end of September 1864, when the 4-lb. loaf was selling at 11d., beef was 4d. to 6½d. per lb., mutton 3½d. to 5d., and pork 7d. to 9d. ; butter was 11d. to 1s. per lb., cheese 9d. to 1s., eggs 1s. to 1s. 2d. a dozen, and milk 6d. to 7d. per quart.

In July and August 1864 there had been very heavy rains, but these were followed by a period of drought which was general throughout Australia, and the approach of the harvest did practically nothing to lower prices. In January and February 1865 flour was sold at £22 to £25

per ton, and the usual price of the quartern loaf was 9d. to 11d. The price of butter rose to 1s. 4d. or 1s. 6d. per lb., and the supply of green vegetables was limited and the price high. In March the long-continued dry weather led to further increased prices. Butter was selling at 1s. 10d. to 2s. per lb. and flour at £23 : 10s. per ton ; in July butter rose to 2s. 6d. or 3s. per lb., while flour continued at about the same price, varying not more than about 20s. a ton for several months. The drought also affected the price of meat, especially beef. In July the retail price of beef was 6d. to 8d. per lb., mutton 4d. to 6d., and pork 8d. to 9d. ; two months later beef was 7d. to 9d. per lb. and mutton 6d. to 8d. In October 1865 fresh meat was put on the free list of the South Australian tariff, and a regular export trade from Victoria to South Australia at once grew up. This helped still further to increase the price of beef, which by the end of October was selling in Melbourne at 9d. to 11d. per lb.

In September 1865 there was much speculation in flour in view of the uncertain harvest prospects, and £23 per ton was the average price for that month ; but before the end of October it had reached £25, and early in November the price was £28, while bread was selling at 3d. per lb. The high prices of meat and bread—the staple food of the Australian people—added greatly to the distress amongst the Victorian working classes, who were at this time suffering much from lack of employment.

The year 1865 closed without any improvement in the conditions just referred to ; some rain fell in November, but in too small a quantity to affect the harvest, and 5th January 1866 was proclaimed by the Government as a day of humiliation and prayer on account of the protracted drought. At that time the retail prices in Melbourne were :

Beef, per lb.	9d.
Mutton, per lb.	6d.
Pork, per lb.	10d.

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Bread, per quartern loaf	. . .	11d. to 1s.
Cheese, per lb.	. . .	2s.
Eggs, a dozen	. . .	2s.
Butter, per lb.	. . .	2s. 6d.
Milk, per quart	. . .	6d. to 7d.
Bacon, per lb.	. . .	1s. 9d.
Potatoes, per quarter	. . .	2s. 5d.

These high prices continued during January, but by the end of that month splendid rains had fallen in every part of the colony, and the harvest proved better than had been expected. In some districts, such as Bellarine, where no wheat had been grown for years, and in the west, the crops were very good; and early in February 1866, when the new grain began to appear in the market, there was a slight fall in prices. Flour, which had been selling at £23 to £24 per ton, dropped to £21 and £22; in the same month flour began to arrive from California, and by the beginning of March the price had fallen to £17 to £19 per ton, but the prices of other commodities, of which there was no import, were still very much affected by the long-continued drought, as will be seen from the following list:

Beef, per lb.	. . .	9d.
Mutton, per lb.	. . .	8d.
Pork, per lb.	. . .	10d.
Butter, per lb.	. . .	1s. 11d. to 2s. 2d.
Cheese, per lb.	. . .	1s. 10d. to 2s.
Milk, per quart	. . .	7d. to 8d.
Bread, per quartern loaf	. . .	9d.
Ham, per lb.	. . .	1s. 6d. to 2s.
Bacon, per lb.	. . .	1s. 8d. to 1s. 10d.
Potatoes, per quarter	. . .	1s. 3d. to 1s. 6d.

In April flour from South Australia began to arrive in Melbourne, and the price fell to about £15 to £17 per ton, whilst bread was sold at 8½d. per quartern.

The colony received very little more rain after the fall in January, and by Easter 1866 the drought was as severe as in the previous December. In the Wimmera district stock had begun to suffer greatly, and at Echuca the river Murray was lower than at any time since its discovery.

During April and May 1866 important changes were made in the tariff and there was a large amount of speculation in imported goods, causing a very rapid advance in price. There was, however, a lowering of the duties on several articles of general consumption not locally produced, the duty on tea, for example, being brought down from 6d. to 3d. per lb. and on sugar from 6s. to 3s. per cwt., but owing to the failure of the sugar crop in the West Indies and the war in China the wholesale prices of these commodities had risen. In the case of sugar the increase was £3 per ton, the equivalent of the duty removed, so that the retail price of ordinary sugar remained at 5½d. as it was in 1865. Tea rose 6d. per lb. in spite of a reduction of 3d. per lb. in the duty. Butter was subjected to an increased duty of 3d. per lb., which was reckoned on to cause a great and immediate increase in the local production. This was hindered by the drought, and as there was now no import the price of Victorian butter rose to 3s. to 3s. 3d. per lb., which put it beyond the reach of the working classes. Fiscal controversialists, therefore, had the advantage of being able to draw from these examples potent arguments according to their inclinations. Cheese was 1s. per lb. for local produce and 1s. 10d. to 2s. for English Cheddar, and milk was 7d. to 8d. a quart.

On 10th July 1866 came the news of the financial crisis in England and the stoppage of the Agra and Masterman's Bank. This created some alarm, but after a day of paralysed trade Melbourne recovered itself. The banks began at once to restrict discounts, and all speculative business was steadily discountenanced. Later on in the same month when the Bank of Queensland stopped payment, there was a disposition to make more of the event than circumstances warranted. Some insolvencies in Melbourne were directly attributable to this stoppage, but the sums involved in them were not very large, although much Victorian capital was invested in Queensland and remained locked up until that colony righted itself.

There were good seasonable rains throughout Victoria

towards the middle of 1866, and by the end of July ample rain had fallen for all immediate requirements. During the next few months the price of flour slowly declined; in October it was £14 per ton, and the quartern loaf fell from 8d. to 6½d. The pastures throughout the colony were in excellent condition from September onwards, and meat and other produce immediately became cheaper. At the beginning of October the price of beef was 4d. to 7d. per lb. according to quality, mutton 3d. to 5d., and pork 9d. Dairy produce became cheaper, better, and more plentiful, butter selling at 1s. 4d. per lb. and milk at 4d. per quart.

The harvest of 1866-67 was excellent, not only in Victoria, but throughout Australia, and during the first four months of 1867 the price of flour was £12 : 10s. per ton for fine and £11 for seconds, while the 4-lb. loaf was sold for 6d. There were shipments of wheat from Adelaide to England in May and June 1867, and in the expectation of further shipments the price of flour in Victoria rose during July to about £13 or £13 : 10s. per ton, the price of bread remaining unchanged, but in September the price of flour dropped back to £12.

The winter of 1867 was very wet and was followed by a wet spring, with disastrous floods in some parts of the colony. In October the early crops were beginning to suffer and the prospects of there being a good harvest were far from favourable. There was a sufficient stock of bread-stuffs in hand to last until the new season's wheat was available, but there was little surplus, and with each change in the weather conditions there was a rise or fall in the price of wheat and flour. At the end of November the weather was fine and warm, the merchants and millers concluded that there would be a good crop, and flour was sold at £12 to £13 a ton. Just before Christmas a less favourable view was taken of the season's prospects, the price of flour rose to £16 and £18 per ton, and the master-bakers of Melbourne met and resolved to raise the price of the quartern loaf from 6½d. to 9d. With the

gathering of the harvest there was a fall of £1 a ton in the price of flour, but when the full returns of the crops were available in March 1868 it was found that the wheat crop was one-fourth less than in the preceding year, and the price of flour rose to £19 per ton. The harvest was also deficient in other parts of Australia, and supplies of wheat and flour were sent for from Chili and California, but the surplus of these countries had already been drawn upon by Europe, where the harvest had been poor, and Australia had to pay an increased price for what it required.

At the beginning of April 1868 the price of flour in Victoria was £19 to £21 per ton; later in the month it rose to £23, and the quartern loaf was sold at 10d. These prices continued during May, June, and the greater part of July; at the end of the last-named month flour fell to £18 : 10s. a ton, but the price of bread remained as before—a not uncommon occurrence. It was not until September, when flour was selling at £17 : 10s., that the price of the loaf fell to 8½d. In October 1868 there was a large importation of flour from California and Chili; the price in Melbourne at once fell to £14 per ton, and at the end of the year it was reduced to £13. Taking the year as a whole, the average price of flour of medium quality was £18 : 2 : 6 per ton, which was £6 higher than in the preceding year. Meat and dairy produce were not dear during 1868. The price of meat was much the same as in the previous year: butter was 10d. to 1s. per lb. in January, and 1s. 4d. to 1s. 8d. in September; while milk varied from 5d. to 6d. a quart.

During the dispute between the Government of Victoria and the Legislative Council, which began in August 1867 and lasted eleven months, there was great distress amongst public servants and others dependent on the expenditure of Government moneys; commercial interests also suffered severely, as there was a large diminution of retail trade and considerable restriction of credit. The dispute ended in July, and it was estimated that at that time the Government owed its local creditors upwards of £1,600,000.

The wool-growers had anticipated a very good return from the clip sent for sale to London. Unfortunately for them there was a decline of 2d. to 3d. per lb. at the autumn sales, and to add to their troubles a drought set in towards the close of 1868, continuing uninterruptedly until the end of the following March. In February 1869 it was reported that cattle and sheep were dying by thousands for lack of food and water. On 27th March it was announced that the 31st of the month would be kept as a day of humiliation and prayer; as a matter of fact it became a day of thanksgiving, for there were splendid rains the day previous throughout the whole colony. The drought did not affect the retail prices of meat, for the stockowners were obliged to kill their beasts or see them die of starvation, but much of the meat sold was naturally of inferior quality.

At the beginning of April 1869 the average retail prices of the principal articles of food in Melbourne were :

Beef, per lb.	. . .	3d. to 7d.
Mutton, per lb.	. . .	2½d. to 4½d.
Pork, per lb.	. . .	8d.
Victorian cheese, per lb.	. . .	6d.
Butter, per lb.	. . .	1s. 10d.
Milk, per quart	. . .	6d.
Bread, per quartern	. . .	7d.
Potatoes, per cwt.	. . .	7s.

At this time flour was selling at £13 per ton, but as the year advanced it rose in price. The yield of the previous harvest proved to have been largely over-estimated, and the quantity of grain and flour imported was too small to make good the deficiency in local production. In September 1869 the merchants were drawing largely on South Australia and Tasmania for supplies, and by the end of that month flour was selling in Melbourne at £18 : 10s. per ton, and the 4-lb. loaf at 8d. These prices continued practically without change until towards the end of November, when it became certain that the approaching harvest would be very abundant; flour then fell to £14

per ton, and by the middle of December the price had dropped to £12 : 10s.

The break-up of the drought had been attended by very heavy rains, and the weather conditions from March to the end of the year 1869 had been excellent for the crops. Although the harvest was not so bountiful as anticipated, it was the largest up to that time garnered in Victoria, sufficient to supply the colony and leave a good surplus for exportation. During 1870 flour remained very steady in price, at rates varying from £11 to £13 per ton according to quality, and bread was sold at 6d. per quartern loaf. There were the usual seasonal fluctuations in the prices of eggs, butter, and vegetables, but otherwise the prices of these and other articles of food varied very little.

The harvest of 1870-71 was not good. There had been very heavy floods in Victoria in May, September, and November 1870, which damaged the growing crops; in January 1871 the price of flour rose to £15 a ton, and afterwards continued to advance until it reached £17 in May, when the price of the quartern loaf was increased from 6d. to 8d. After July the price of flour began to fall, and in October it was £12 : 10s. per ton, the 4-lb. loaf being 7d.

Mutton had remained since 1869 at 2½d. to 4½d. per lb.; in October 1871 it fell to 1½d. per lb. for the half sheep, or 1½d. to 3d. according to the joint, and beef was 2½d. to 6d. Butter was extremely cheap from July to October, being retailed at 8d. per lb. during part of the latter month. During the rest of the year prices varied between 1s. and 1s. 6d.

During 1871 there was a marked improvement in trade as compared with the preceding year, which was helped by the increased demand for wool in France and the United States. The harvest of 1871-72 was worse than that of the previous year; nevertheless, during the first three months of 1872 the price of flour remained at about £13 per ton. In April the price began to rise, reaching £16 in May, at which it remained with very little change

until October, when, in anticipation of an excellent harvest, it fell away to £14 : 12 : 6. During the last month doubts began to be felt as to the correctness of the harvest forecast; in a week the price of flour rose to £16 : 10s. per ton, and by the end of October it was £19. This price was maintained till the end of November, when it fell to £17. The price of bread varied automatically with that of flour. Early in the year the quartern loaf was sold for 7d.; in August and September it was 8d.; in October it fell again to 7d., rising after a few days to 9d., at which price it remained till the end of November, when it fell to 8d.

The price of meat rose during 1872, mainly on account of the demand of the meat-preserving works for fat stock to supply orders from Europe. In May of this year the retail price of beef in Melbourne was 3d. to 7d. per lb.; in November 5d. to 8d.; the price of mutton at the same dates being 2d. to 5d. and 3d. to 6d. There was great development in dairy farming in Victoria at the close of the 'sixties. In 1871 and several of the following years the amount of butter made at certain seasons exceeded the local demand, and in the absence of cold storage or regular export there was considerable irregularity in prices. In January 1872 good butter could be bought retail at 7d. per lb.; in the following May at 10d.; in August the price was 1s. 5d., falling again to 10d. in September, at which it remained for the rest of the year.

Changes were made in the tariff during 1872 in the direction of simplification. These changes, however, did not affect prices of articles of ordinary use. Trade in general was good, but without speculation; those who were disposed to speculate turned their attention to mining, and at this time New South Wales offered the most promising field for the speculator, and much of the mining development of that colony was promoted by Victorian money.

The price of clothing showed little change after 1868. The ready-made clothing factories, with the assistance of a duty of 25 per cent, were able to keep command of the

local market and maintain an export trade with the other Australasian colonies in the cheaper kinds of slop clothing. The better class of goods were still imported, but the factories were being developed to compete for this trade.

The wool trade showed a very decided expansion during the period, though the increase in production was less remarkable than that in New South Wales. In 1861 the quantity of wool of domestic growth exported from Victoria was nearly 18,500,000 lbs., valued at £1,723,000, the produce of six million sheep: in 1872 the export was 39,096,379 lbs., valued at £3,554,893, from ten and a half million sheep: this was in addition to the large quantity of wool from the Riverina district of New South Wales sent to Melbourne for shipment. Wool shipped in the grease averaged 24·4d. per lb. in 1862, declining to 14·8d. in 1871; in 1872 the price rose to 21·8d. It will be seen that the average weight of wool obtained from one sheep in 1861 was 3 lbs. 1 oz., and in 1872, 3 lbs. 12 oz. The preparation of wool for export was much better in Victoria than in New South Wales, and the general effect of this and the attention paid to breeding were reflected in the prices obtained at the wool sales. The following statement shows the average values of Victorian greasy wool sold in London in the years named:

Year.	Price per lb.	Year.	Price per lb.
1862 . .	24·4d.	1868 . .	16·1d.
1863 . .	19·2d.	1869 . .	14·8d.
1864 . .	19·6d.	1870 . .	14·7d.
1865 . .	17·9d.	1871 . .	14·8d.
1866 . .	18·9d.	1872 . .	21·8d.
1867 . .	18·0d.		

If comparison be made with these figures and those given elsewhere for New South Wales wool, it will be found that the Victorian average is 27 per cent higher. There is nothing in the character of the pasturage of the two colonies or in the original derivation of the stock to account for the difference, which, as has been pointed out, was due mainly

to the greater care in breeding the sheep and preparing the wool for market.

Apart from wool, trade showed no great expansion during the period, so far as Victorian produce is concerned ; this is sufficiently accounted for by the extraordinary character of the seasons. There was also a large curtailment of the volume of that part of Victoria's intercolonial trade made up of the export of British and foreign manufactures. During the preceding period, Victoria had secured to itself a very large trade with the other colonies, and Melbourne was undoubtedly the chief mercantile port of Australasia. The imposition of a tariff including very high duties greatly handicapped the Melbourne merchants in their struggle with those of Sydney, where a much lighter tariff was in force, although it was not until 1871 that the New South Wales merchants were able to take full advantage of their opportunities. The hardware and ironmongery business was lost altogether to Victoria, and other branches of trade were greatly curtailed. Thus the Melbourne houses lost their hold on New Zealand, where their places were gradually taken by local men or by the merchants of Sydney.

QUEENSLAND

The course of prices in Queensland during this period presents no striking features. At the beginning the colony was dependent for all its food supplies with the exception of meat, and indeed for almost all other commodities, on importations from New South Wales, and though this state of things was modified when Queensland entered into direct communication with Europe and with the other Australasian colonies, New South Wales remained its chief source of supply during the whole period. In consequence of this arrangement Brisbane was at all times well supplied with goods, and prices were not subject to the extreme variations often experienced in newly-established communities. In Brisbane prices were almost

as regular as, and not much higher than, those current in Sydney, and, allowing for the expense of freight, the same may be said of Ipswich and Rockhampton. Outside these towns it was almost impossible, at the beginning of the period, to purchase even the most ordinary household necessities ; supplies of food and clothing were bought in Brisbane, or in one of the other towns mentioned, and carried by bullock teams to the homesteads or outlying stations at considerable difficulty and expense. As the period advanced, small towns grew up in the interior, and most of the articles of common consumption could be purchased at these places. It would not be possible, even if any useful purpose were served by giving the information, to make a statement of prices in the smaller towns of the colony. These were a reflection of those of Brisbane, magnified by the distance the goods had to be carried, and all that it is necessary to give, therefore, are the prices current in Brisbane. These were as quoted below.

In 1860 flour was dear, and the quartern loaf was usually sold at 1s. ; in the following year the price of bread remained about the same. During 1862 the ordinary price of this loaf was 10d., flour selling at 17s. to 23s. per cwt. according to quality, the flour sold at the lower price being of an inferior description. Meat of all kinds was comparatively cheap : beef was usually retailed at 3d. or 3½d. per lb. ; mutton at 3d. to 4d. ; veal and pork at 6d. Bacon was 9d. to 1s. per lb. ; butter was scarce, and when fresh was usually sold at 2s. 6d. and when salt at 2s. per lb. ; colonial cheese was 9d. to 1s. per lb. and eggs 1s. 9d. to 2s. a dozen. Ordinary dark brown sugar was sold at 4½d. per lb. and white sugar at 8d. ; tea at 2s. 6d. to 3s. and coffee at 1s. 8d. Vegetables were grown in the vicinity of Brisbane, but not in any quantities, and the principal descriptions used, potatoes and cabbages, were imported from Sydney ; in 1862 potatoes were retailed at 4s. 8d. per cwt. Soap was 4d. per lb., and sperm candles 1s. 4d. to 1s. 9d. according to quality, but the candles in common use were of tallow, and generally sold at 9d. per lb. Some maize

was grown in the colony and sold at 6s. 6d. per bushel; oats and barley were imported, and the retail price was 7s. 6d. per bushel.

House rent was extremely high in Brisbane, and indeed in all the towns: 3s. 6d. to 7s. a week per room was the usual charge, the rents varying with the situation of the house and the accommodation given. Speaking generally, the houses were of the roughest description, and workmen's dwellings rarely consisted of more than three rooms, including the kitchen; a six-roomed house was considered large. There were very few substantial houses in the colony; wood was the material almost always used in construction, even of the best houses.

During the years 1863-66 the retail prices of foods did not vary much, except in the case of bread-stuffs, the price of which was affected by the bad harvests in other parts of Australia. In January 1866 flour was selling at 30s. per cwt. and the quartern loaf at 1s. 2d.; sugar was 5d. per lb.; fresh butter 2s. 6d.; salt butter 2s. 3d.; and milk 6d. per quart. Rents had so far shown no tendency to decline. A great deal of building had been going on during the period, but owing to the policy of assisted immigration carried out by the Government the demand for houses was in excess of the supply. In an official handbook of the colony issued in January 1866 it was stated that "the cottage which in England would cost £8 or £12 per annum costs £70 to £100 in Brisbane. This is the rent a man with £300 a year has to pay, and he may reckon one-fifth of his income for rent." The great majority of the new houses were constructed of wood, but occasionally brick or stone ones were erected.

Owing to acute commercial depression occurring in the latter half of 1866, there was a great fall in the prices of live-stock and of almost all forms of property throughout the colony. Unfortunately for the working classes, whose earnings had been much reduced, the decline in prices did not extend to food and other articles of common use. Meat was comparatively dear in consequence of the drought,

and it remained so for several years. In 1871 the price of meat had fallen back to its former level, and beef and mutton were sold in Brisbane at 2d. to 3d. per lb. ; in the following year, however, the price was again about 4d. to 5d.

During the later years of the period bread cost 9d. the quartern loaf ; butter, owing to an increase in local production, had fallen to 1s. 5d. per lb. for salt and 2s. 2d. for fresh ; sugar was 4d. per lb., and very much better in quality than what was sold for 4½d. in 1862 ; tea was a little cheaper than in earlier years, the kind in ordinary consumption being retailed at 2s. per lb. Most other goods in common use were also somewhat cheaper ; this was especially the case with vegetables.

On the goldfields prices were much higher than in other parts of the colony, and were liable to great fluctuations until regular communication with the seaboard was established and large stores opened. Wherever there was a considerable rush of diggers, stores were quickly opened, but a long time usually elapsed before good road communication was available. The prices current on the Gilbert and Etheridge goldfields in September 1871 illustrate the ordinary conditions of a new field. Bread was sold at 1s. 6d. per quartern ; tea at 3s. 6d. per lb. ; sugar 9½d. ; cheese 3s. ; salt 7d. ; and butter 2s. 9d. Beef, however, was retailed at 3d. to 4d. per lb., which was not very much more than the price in Brisbane. These goldfields were in the midst of a well-stocked district ; on other fields fresh meat was almost unprocurable.

The influx of the Chinese into Queensland after the discovery of gold brought one advantage to the colony—considerable increase in the supply, improvement in the quality, and reduction in the price of vegetables. The Chinese flocked to the goldfields in great numbers ; many of them, however, abandoned the mines and settled down as market gardeners near the established fields, and later on in the vicinity of the larger towns, much to their own gain and that of the places they supplied with vegetables.

SOUTH AUSTRALIA

The most notable feature in the economic history of South Australia during this period is the very great change that occurred in the prices of the three staple exports, wool, copper, and wheat. As regards wool, the variations in price followed the same course as in New South Wales, to which full reference has been made. The period began with high prices, which soon gave way, declining year by year until they reached their lowest level about 1871, after which there was a partial recovery. The quantity of wool exported increased from about $13\frac{1}{4}$ million lbs. in 1862 to $33\frac{3}{4}$ millions in 1872; the greater part of this comparatively large increase occurred after 1867, when there was a steady improvement in the number of sheep depastured.

The price of copper showed many fluctuations during the period, and ranged from £95 : 4s. in 1864 to £72 : 4s. in 1870, no two successive years showing approximately the same figure. The range of prices may be seen from the following statement of the average price per ton in each year :

Year.	£	s.	Year.	£	s.
1863 . .	93	6	1868 . .	76	18
1864 . .	95	4	1869 . .	80	0
1865 . .	86	12	1870 . .	72	4
1866 . .	90	8	1871 . .	81	0
1867 . .	80	0	1872 . .	92	0

This unsteadiness of price naturally affected the industry and prevented its regular development, so that the output of copper varied very considerably from year to year. Allowing for the copper contents of the ore exported, the output of the metal in 1863 was 5700 tons of refined copper; under the influence of good prices the output grew in 1867 to the equivalent of 9200 tons of refined copper. With the drop in the price the output fell, but was again increased during 1871 and 1872 under the stimulus of good prices.

More important to the community than even the vicissitudes of the wool and copper markets were the fluctuations in the quantity and price of bread-stuffs. At the opening of the period South Australia was already the most important wheat-producing colony of the Australasian group, and before many years had passed it was more important, in this respect, than all the other colonies taken together. In point of value the agricultural production of South Australia exceeded in ordinary years that of the pastoral and mining industries combined, and gave much greater employment. The progress made in agriculture by South Australia at this time was extraordinary, considering the disabilities under which the farmers laboured. The geographical position and physical configuration of the Province, it is true, ensure it against liability to floods, and during this period, when the eastern colonies suffered from alternations of flood and drought, South Australia escaped the floods, but its droughts proved on the whole the more calamitous, because they were not preceded by periods of superabundant rainfall. But even in the worst years South Australia was an exporter of grain, and the price of cereals was therefore determined by the price obtainable in the markets of the other colonies; and during the whole period wheat was subject to great variations in price, which continued until an export trade with England was established, and the wide market of the world laid open to the South Australian farmers and shippers.

The harvest of 1862-63 was good throughout South Australia, the average yield of wheat being 12 bushels per acre, but as the season was also good in the other colonies there was not a great demand from them for grain, and the average price at Adelaide during 1863 was 4s. 10d. per bushel. The highest sales recorded during the year were in August, when for a short time wheat was at 6s. per bushel. Bread was comparatively low in price, and at no time during the year was it sold at more than 8d. the quartern loaf, the usual price being 6d. The harvest of 1863-64 was still better than the previous one, but as

it was a failure both in New South Wales and Victoria, prices were very high. In January 1864 wheat was selling at 4s. 3d. a bushel; by March the price had risen to 6s. 3d., and throughout June and July it was at 10s. 9d., falling to 8s. 6d. in August and September, but rising once more in October, when it became evident that the ensuing Australian harvest would not be such as to cause any disturbance of prices. As it happened the harvest of 1864-65 was not so good as either of the two previous harvests, the average return being only 9 bushels per acre, but it yielded sufficient to give the farmers a handsome profit; for prices remained very high during 1865, ranging between 7s. 8d. and 11s. 9d. a bushel, with an average of 8s. 7d. as compared with 8s. 6d. in 1864. After April 1864 extremely dry weather was experienced throughout South Australia, amounting to an actual drought over a considerable portion of the Province. The drought broke up, in the chief agricultural districts, during May 1865, but there was little rain during the whole year in the northern pastoral districts. Grass almost entirely disappeared, and the demand for hay and other food for stock was very great. In ordinary seasons hay sold for £3 : 15s. a ton; during 1865 the average price in the settled districts was £7 : 10s., and in the northern districts, owing to difficulties of carriage, £22 per ton, a price which the pastoralists could not pay, even to save the most valuable cattle. Although there were fairly good rains in the agricultural districts from May 1865 onwards, the wheat yield of 1865-66 did not average $8\frac{3}{4}$ bushels to the acre; there were bad harvests also in New South Wales and Victoria, but in anticipation of this the merchants of Melbourne and Sydney had arranged for shipments of wheat and flour from Chili and California. When these shipments began to arrive, prices in South Australia fell immediately. In Adelaide the quartern loaf was 6d. at the beginning of 1866; by the middle of January it was $5\frac{1}{2}$ d., and had fallen to $4\frac{1}{2}$ d. by the end of February. During the first few months of the year 1866 the farmers had held back their wheat from the market, in the hope that prices

would advance, but in this they were disappointed, and in April the price of flour was £16 per ton and of wheat 6s. per bushel. These figures practically represented the level of prices for the whole year. The total export of flour and wheat during 1866 was valued at £775,000, as compared with £1,638,000 in the year preceding. This falling off was a great blow to the Province, which depended so very largely on agriculture.

As the harvest of 1866-67 drew near the farmers began to fear that, however plentiful it might be, it could not yield them any profit, as there was no probability of a good market in Australia, since the other colonies were also looking forward to excellent yields; indeed, a positive glut of wheat was anticipated. It had happened, however, that the European harvest of 1866 was very bad and the price of wheat in England was consequently so high, from 8s. to 8s. 9d. per bushel, that it became profitable to ship from Adelaide to London. Large consignments were made and a market thus found for the South Australian surplus. But even with this relief the price realized during the year 1867 was only 4s. 5d. per bushel, not a very remunerative price, as in many cases the farmers obtained only 2s. 6d. for their wheat, the difference representing the expenses between the farms and the port. In November 1867 it became known that the wheat crop, which had promised very well, had been attacked by red rust. Flour was then selling in Adelaide at £11 : 10s. to £12 per ton, and the price rose in quick stages, so that by the end of December it was £19 per ton, the ordinary retail price being 2½d. to 3d. per lb., and the 4-lb. loaf was sold for 10d. The harvest was so bad in many places that the crop was not worth gathering, and even where it was gathered the yield was in many instances not more than 2 bushels per acre; for the whole Province the average was only 4 bushels 40 lbs. About one-third of the wheat was shrivelled and unfit for milling, and in these disastrous circumstances the price of sound wheat rose rapidly. At the end of January 1868 it was 7s. per bushel, and continued

to rise until it reached 9s. in March, at which figure it remained for the rest of the year. Naturally the larger portion of the crop was sold by the farmers during the first few weeks after harvest, so that for them the average price for the year was only 7s. 1d. per bushel. There was only a small export, and many farmers had not enough wheat to supply their own needs. In these circumstances it was suggested that the Government should adopt the precedent set by New South Wales and distribute seed-wheat to the farmers who had suffered most severely, but after some hesitation the Government decided against this course.

The harvest of 1868-69, though very much better than that of the previous year, was not good. The weather was too dry, and the average yield of wheat per acre was 9 bushels 40 lbs. Prices were low, nevertheless, throughout the year, averaging 5s. per bushel and varying very little from that price. In the following summer, 1869-70, the harvest was still worse, the average yield being 5 bushels 45 lbs. per acre, and the price during 1870, 5s. 3d. per bushel. The hay crop in this year was some 50,000 tons short of the ordinary consumption, and good prices were obtained, but these were quite insufficient to compensate the farmers for their loss.

The agricultural industry was still the most important in South Australia, and this series of bad harvests, without the compensation of a rise in prices, brought on a severe trade depression which was general throughout the Province. The harvests of the two remaining years of the period, 1871 and 1872, offer little occasion for remark. The seasons were normal, and the farmers were able to find a market for their wheat, in Adelaide, at prices varying from 5s. 1d. to 5s. 6d. The price of the quartern loaf varied from 7d. to 8d. during these years.

The price of meat varied very greatly. In 1863 the price of beef, to a working-class family, was 4 $\frac{3}{4}$ d. per lb., of mutton 4 $\frac{1}{2}$ d., and of pork 8 $\frac{1}{2}$ d. In 1865, owing to the drought, there was a great increase of prices, beef in the

Adelaide shops being 7½d. per lb., mutton 6½d., and pork 9¼d. These prices were also the average for the following year, except for pork, which was 11¼d. per lb. Cattle and sheep fit for the market were so scarce, during 1865 and 1866, that supplies had to be taken to Adelaide from Victoria. In 1867, when the drought had disappeared from the greater part of the Province, prices fell, and beef was sold at 4¾d. per lb., mutton at 3¾d., and pork at 8¾d. Beef remained at about this price until 1872, when it fell to 3¾d. per lb. Mutton also varied very little, the ordinary price being 2½d. or 3d. per lb. Pork was usually 6d.

The loss of cattle had been very great during the droughty years, 1864 to 1869, and in 1872 the number depastured in the Province was only 151,662, which was a hundred thousand less than in 1862.

The price of butter was naturally very high during the years of drought, in 1865 it was ordinarily sold at 1s. 8d. per lb., and in 1866 at 2s. 1d.; in both years there were several successive weeks when the price exceeded 3s. per lb. In all the other years of the period the average price was between 1s. and 1s. 3d., although every year, in the early winter, the price ran up to 2s. 6d. per lb. The prices of other commodities in general use, such as sugar, tea, coffee, rice, etc., were much the same, quality for quality, as those current in the other colonies.

The price of clothing presented no special features during the period. The great bulk was imported from England, only a small quantity of slop clothing and boots and shoes being manufactured in the Province. The locally made goods were slightly dearer than those imported, but of better material if not of better workmanship, and were used by a special class who preferred wear to appearance. It was not until after the close of the period that the clothing and boot manufacturers of the Province greatly exerted themselves to compete with the importers.

Rents remained very high for working-class dwellings in Adelaide, chiefly because they occupied expensive

sites, and the ordinary rent of 9s. a week was not more than a fair return on the landlord's outlay. As a rule workmen's cottages were badly built and lacked drainage and proper water-supply. But in these respects they were not greatly worse than the dwellings of the wealthier classes, as Adelaide was, throughout the greater part of the period, in a very bad sanitary condition, although in regard to this some improvements were made before the period closed. Adelaide was a small but growing town and workmen's suburbs were rising up around it, but even in these the rents were not low. Advertisements in the Adelaide newspapers show that new cottages at Norwood, containing three rooms and a cellar, were letting at 7s. per week, in North Adelaide four-roomed cottages let at 10s. a week, and at Port Adelaide a similar rent was charged for the same accommodation.

When unemployment became common at the end of 1865 and during 1866, it happened also that prices were extremely high for bread-stuffs, meat, and butter, and there was a great amount of real distress which overtaxed the ability of the ordinary charitable organizations to relieve. In the following years, and especially in 1870, when the number of unemployed persons was greatest, prices were low and cases of genuine distress were readily relieved.

WESTERN AUSTRALIA

Retail prices were generally higher, during this period, in Western Australia than in the eastern colonies, but they were subject to no great fluctuations. Wheat ranged from 5s. to 6s. per bushel, and the quartern loaf usually cost 8d. ; beef varied in price from 4d. to 6d. per lb., and was getting dearer towards the end of the period, when it was rarely less than the higher of these prices ; mutton was 4d. and 5d. per lb. according to the joint, and pork 8d. to 10d. Dairy prices were uniformly high : milk was retailed at 6d. per quart ; fresh butter, 1s. 9d. to 2s. per lb. ; salt butter, 1s. 6d. to 1s. 8d., and cheese, 1s. 6d.

Imported foods and beverages were as cheap as in other parts of Australia ; the usual price of rice was 3d. per lb. ; tea, 2s. ; coffee, 1s. 6d. ; and sugar 4½d. to 5d., these prices being for the qualities in common use. Articles of clothing were almost all imported from England, and prices were practically the same as elsewhere in Australia.

The trade of the colony showed little development during the period. In 1863 the value of the exports and imports amounted to £242,343 ; in 1872 it had reached £435,853 ; the exports in 1863 being valued at £143,106, and in 1872 £209,197. The total trade in the later year represented £16 : 19s. per inhabitant, and in 1862 about £15 : 15s. ; these figures are worth recording in view of the prodigious developments that were shown during the subsequent years. In 1863 wool was the only considerable article of export and it retained the first position throughout the whole period, although towards the close an important trade had grown up in pearl shell and timber.

TASMANIA

At the beginning of the period there was a slight improvement in Tasmanian trade ; the exports had increased in value from £919,649 in 1862 to £999,511 in 1863. The price of wool was better, and half the increase was due to this cause ; the exports of bread-stuffs had declined, but this was more than made up for by the increase in the exports of potatoes, fruit, jams, bark, timber, and dairy produce. There was a general feeling of hopefulness that the improvement in trade would continue and plans were made to take advantage of it. These plans were short-lived. Trade not only did not revive as was anticipated, but fell away, and in 1865 there was a revenue deficit once more, as there was also in every subsequent year of the period. The fall in the price of wool, the decline of the trade in bread-stuffs with the mainland, the capricious market for vegetables and dairy produce, and the failing

demand for timber, all contributed to this result. The island colony sank into a state of the greatest depression, which was more marked in Hobart and the southern districts than in the north. A correspondent of the *Melbourne Argus* wrote in 1865: "In the south the hopeless stagnation of life depresses the mind like an evil dream." At Hobart the maritime trade was confined to a couple of ships, a brig or two, and a few coasters. Over a thousand houses (in a city of 20,000 inhabitants) stood empty. Of the once flourishing merchants scarcely half a dozen remained in a state of solvency, and these were reported to be seriously contemplating removal to Melbourne. Commercially, Tasmania had ceased to be independent, and had become an appanage of Victoria. The Melbourne merchants sent across agents to deal with the retail traders in Tasmania, and these obtained their goods in small quantities from Victoria, instead of buying from Tasmanian merchants who dealt directly with England. It was natural in these circumstances that Launceston should develop at the expense of Hobart, and whatever of prosperity clung to the island at this period was to be found in the northern districts.

It has been said that protection in Victoria destroyed agriculture in Tasmania. It is true that almost immediately on Victoria's adoption of that fiscal system the exports of bread-stuffs from Tasmania declined, but it is also true that this would have occurred irrespective of any action taken by Victoria. Agriculture in Tasmania was unenterprising, defective, and costly; had it been otherwise, there was a large and expanding market in New South Wales that would have amply compensated for the market it had lost. Tasmania might have become the granary of Australia; as it was, this position fell to South Australia, more by reason of the enterprise of the people of that Province than from any handicap suffered by Tasmania.

The introduction of protection into Victoria led Tasmania in 1870 to adopt the same policy, largely in the hope that this retaliation would lead to a change of the

Victorian tariff in its favour. No such modification was, however, made, and after 1870, when the importance of Victoria in the Tasmanian trade was gradually lessening, the matter was not seriously considered in Melbourne. From 1867 to 1870, one-half of Tasmania's imports reached it through Melbourne and 36 per cent direct from the United Kingdom; in 1875, 44 per cent came through Melbourne and about 43 per cent direct from the United Kingdom. In the exports the change was even greater: from 1867 to 1870, 35 per cent of Tasmania's trade was with Victoria; in 1875 the proportion had dropped to 25 per cent, while the United Kingdom's share had advanced from 44 to 47 per cent.

The export of grain and flour varied largely from year to year according to the condition of the Australian markets, but on the whole period there was a marked decline both in quantities and values. During 1863 the price of flour was £14 per ton, but, in expectation of a poor harvest, it rose in February 1864 to £17 per ton, and wheat was 6s. 6d. per bushel. The harvest was rather worse than anticipated, and prices continued to rise, so that in June wheat was selling at 12s. to 12s. 6d. a bushel, and flour at £27 per ton. The still higher prices which ruled in New Zealand, from June to August 1864, caused a considerable export to that colony. The quantity exported was more than the surplus existing in the colony, and before the year was over it was necessary to import both flour and grain. This importation lowered prices to some extent, but in January 1865 flour was sold at £22 per ton. The harvest was deficient both in Tasmania and in several of the mainland colonies, and there was hardly any change in prices when the new grain came on the market; in March wheat was 9s. 3d. to 9s. 9d. per bushel. Large importations of flour to the mainland colonies from Chile and California caused a decrease of about 1s. per bushel during April, but in June the price rose again to 9s. 3d. to 9s. 6d., and at this it remained until September, when there was a slight increase. In January 1866 wheat was

10s. 9d. per bushel and flour £25 per ton. The harvest was good, and for this reason and because the mainland markets were well supplied prices fell very rapidly during February, so that at the end of that month wheat was almost unsaleable at 7s. per bushel. There was a general understanding amongst farmers not to sell at this price, very little wheat was sent into the market, and that little was sold in March at 8s. per bushel. The farmers, however, soon realized that, as wheat was selling at much less on the mainland, there would probably be an import of flour. They then began to offer their wheat freely, and the price fell to 6s. to 6s. 3d. per bushel, at which it remained for the rest of the year.

During 1867 the price of flour was uniformly low, the best quality selling at £13 and second quality at £11 per ton, and wheat was from 5s. to 5s. 6d. per bushel. There was a poor harvest in South Australia in 1867-68, where, until importations could be arranged for, there was a demand for Tasmanian wheat, and during the first three months of 1868 flour sold at £18 per ton. This price was not, however, maintained, and the bulk of the new season's grain sold at 6s. per bushel; thenceforward, except for a slight rise in 1872, the price of wheat was very steady at about 5s. to 5s. 6d. per bushel.

The exports of other agricultural produce, vegetables, fruit, jam, etc., varied very much at different seasons, but, taking the period as a whole, showed no progress except in the one article, hops. Hop-growing was in its infancy in 1863, when the export was valued at only £3430. From that amount it rose steadily, in spite of considerable variations of price, until it reached £39,274 in 1872. Most of the hops went to Victoria, where brewing was carried on with marked success.

In dairy produce there was a variable trade. The greatly increased supply of dairy produce on the mainland diminished the demand for Tasmania's produce, and naturally the industry was neglected. In 1866, when, owing to a drought, large quantities of butter and cheese

could have found a good market, Tasmania was not in a position to supply them.

The export of timber declined very greatly between 1864 and 1870, owing to the falling off in the demand for mining timber and the general depression in trade throughout Australia, and it was a matter of common concern when, in 1870, several vessels laden with timber, unable to find a market for their cargoes, returned to Tasmania to unload. The falling off in the demand for timber was a serious matter for settlers who had taken up new land heavily wooded, which they expected to be able to clear, reimbursing themselves for the expense by the sale of the timber. After 1871, when industrial conditions on the mainland had improved and building and fencing were again actively undertaken, the timber trade revived, but it was never again so important as in the first few years after the gold discoveries.

The financial crisis of 1866 had very little effect on Tasmania. There was so complete a lack of speculation and of trading enterprise of any kind in the colony that it may even be said that no crisis was possible. A great deal of the capital of the colonists was placed on deposit accounts at the banks, instead of being used in commercial undertakings, and the banks were most cautious in their local dealings, their regular rates of interest for short loans varying from 7 to 10 per cent. The improved condition of Australia towards the end of this period had a good effect on Tasmanian trade, but it was the discovery of mineral wealth, particularly of tin, that revived the drooping fortunes of the island. In 1867 some alluvial gold was found, but it was soon recognized that quartz-mining was the more hopeful source of supply. The year 1869 was marked by the formation of a number of gold-mining companies, many of which were of a fraudulent character, and some years passed before quartz-mining was undertaken seriously. In 1872 the value of gold exported was £16,055, a sum in excess of any previous year's export.

The retail prices of the ordinary articles of food, especi-

ally of those imported, were much the same as in the other Australian colonies ; the chief variations occurred in bread, dairy produce, and meat. Bread was comparatively dear at the close of 1864 and during 1865, and the 2-lb. loaf was usually sold at 5d. to 6d. ; in other years the price did not exceed 4d., and from 1869 to the end of the period the price was from 3d. to 3½d. The price of fresh butter varied very much in the course of each year, usually ranging from 1s. per lb. to 2s. 6d. Potted butter, which was ordinarily used in workmen's families, except when fresh butter was very plentiful, could be obtained at 9d. to 1s. per lb., but in 1866 even the price of this butter rose to 2s. per lb., and in 1872 to 1s. 9d.

Meat showed a considerable increase in price during the period. In 1863 beef was retailed in Hobart at 4½d. per lb., mutton at 5d., and pork at 8½d. A considerable proportion of the sheep and cattle slaughtered were imported from Victoria ; in some years the import amounted to more than half the sheep and about one-third of the cattle. In 1865 owing to the severe drought over large portions of the mainland, the price of beef in Hobart rose to 8d. per lb., and in 1866 to 9d., mutton being 7d. per lb. In 1867 the average price of beef fell to 8d. and of mutton to 6d., and during the first three months of 1868 prices were a little lower. The graziers complained that the benefit of these high prices went entirely to the butchers, and they determined on selling their meat direct to the public. The butchers were forced to sell, for the most part, imported meat, and in consequence of this competition the price of beef fell to 2½d. to 5d. per lb. according to quality, and there was a similar fall in the price of mutton. This competition was soon withdrawn, but prices remained much lower during 1868 and 1869 than they had been for many years. In September 1870, a duty of 2s. per head was placed on sheep and 40s. per head on cattle imported into the island, and meat then rose slightly in price. During 1871 the retail price in Hobart of beef was 5½d. to 7d. per lb., of mutton 2½d. to 6d., and of pork

6d. to 8d., and these prices remained practically unchanged during the remainder of the period. In 1872 the retail prices of some of the principal articles were: ham, 11d. per lb.; bacon, 8½d.; tallow candles, 6½d.; colonial cheese, 10d.; coffee, 1s. 9d.; rice, 3½d.; the poorest quality of sugar, 4½d.; refined sugar, 7d.; ration tea, 1s. 9d.; ordinary tea, 2s. 6d. to 3s.; and milk 6d. per quart.

There was a good supply of local coal in Tasmania, which was sold in Hobart at from 18s. to 24s., according to its quality.

The greater part of the wearing apparel used in Tasmania was imported during the first part of the period mainly through Melbourne, but afterwards direct from England, and prices were much the same as those charged in Melbourne for similar qualities. There was a small quantity of boots and shoes made in the colony, but not sufficient to affect prices.

VIII

TARIFF CHANGES AND THE ESTABLISHMENT OF PROTECTION IN VICTORIA

VERY soon after they were given responsible government, the various colonies began to display their different fiscal tendencies, the extremes being represented by New South Wales and Victoria. In New South Wales, although the Treasurer was usually in great difficulties to balance the revenue and expenditure, there was a general desire on the part of those most powerful in moulding public opinion to adhere to low revenue duties, as being the nearest approach possible in the direction of the policy pursued by the United Kingdom. At the beginning of the period what was known as the Deas-Thompson tariff was in force ; this was a tariff of the simplest description, imposing duties on the importation of spirits, wine, beer, tobacco, tea, coffee, and sugar. This tariff was first imposed in 1852, and had been slightly modified in 1854, in 1855, and again in 1862 ; these changes affected only the rates chargeable on spirits and tobacco, and added opium to and removed dried fruits, chocolate, and cocoa from the list of dutiables. Once or twice a necessitous Treasurer was tempted to recast the tariff, and in 1863, Eagar, who held the office of Treasurer in the first Martin Ministry, obtained the assent of the Assembly to the imposition of *ad valorem* duties at the rate of 5s., 6s., and 10s. per cent on the three classes of goods into which he divided the imports, but the proposal was not agreed to by the Council. The difficulties of the Treasury continued to call for an increased revenue, and

as every Treasurer shrank from imposing direct taxation, Parliament agreed in 1865 to the imposition of a duty of 1s. on every package imported and an all-round increase of 20 per cent on existing duties, except those on tea, sugar, brandy, and gin. From the package duty were excluded goods in transit, flour, wheat, sugar, and tea. These additional duties remained in force barely six months, when Saul Samuel, who was Treasurer in the fourth Cowper administration, proposed an increase in the existing duties and the imposition of duties on dried fruits, hops, malt, and rice, as well as a licence tax on every one in business. These proposals did not commend themselves to Parliament, and, Samuel resigning his position, Cowper introduced a new tariff of specific duties somewhat as in the Deas-Thompson tariff, with a 5 per cent *ad valorem* duty on all goods, except flour, wheat, animals, fresh fruits, wool, tallow, and some other articles, chiefly of re-export. The package duty was also to be continued. The Cowper Ministry was very weak, and could have been ousted by the Opposition at any time: nevertheless, its tariff proposals were promptly agreed to by the Assembly and passed by the Council on 12th January 1866, all parties being glad to get a tariff which, while affording the country the revenue it required, did not interfere with its traditional policy.

Although, in adopting the Cowper tariff, Parliament as a whole had no intention of introducing a protective system, a certain small section of the Assembly, desirous of adopting the policy of Victoria, took the opportunity of the re-imposition of *ad valorem* duties, to agitate for a discrimination in favour of native industries, and obtained the appointment of a select committee, ostensibly to report on the condition of the working classes, but in reality to illustrate their views in regard to protection. This committee recommended that an import duty of 20 per cent should be placed on all worked timber, boots, shoes, saddlery, and other goods that could be made locally, in order that manufactures should be encouraged. This

report, when presented, was not accepted by the Assembly, and its recommendations met with no serious support in other quarters.

After 1866 there was a marked improvement in the finances of the colony, and in December 1868 the Government announced its intention of gradually abolishing the *ad valorem* duties, as well as the duties on Australasian products. The proposal in regard to Australasian imports was designed to promote intercolonial free trade, and aimed at the ultimate establishment of a uniform tariff throughout Australasia. In December 1869 a Bill was announced, providing for the abolition of half the *ad valorem* duties in September 1870 and the balance six months later. As the year 1870 advanced, there was so considerable a falling off in the public receipts, due in a large measure to the disastrous floods, reference to which is elsewhere made, that the contemplated reduction of duties could not be carried out. Indeed, in March 1871 the list of articles subject to duty was largely increased, and the tariff remained otherwise unchanged until, in 1873, the abounding revenue, obtained from the land sales, enabled the Treasurer to propose the entire abolition of the *ad valorem* duties and a reduction in the number of articles subject to specific duties. This proposal was carried into effect on the first day of 1874.

It will be seen from this brief survey that there was no attempt during this period to establish a system of protection in New South Wales. The specific duties had no protective effect whatever, except in the case of sugar, on which there was a duty of 6s. 8d. per cwt. for refined, and 5s. per cwt. for unrefined. The *ad valorem* duties never exceeded 5 per cent, a rate too low to afford encouragement to local industries, especially as they were levied without discrimination, and were removed as soon as the financial position of the colony enabled such step to be taken.

The voices of a few individuals were at odd times raised for protection, but there was no Protectionist party either

in Parliament or in the country, although a few prominent men, including James Martin, thrice Premier of the colony, held strong Protectionist views. The youth of the country, educated in the public, or as they were originally called, national schools, imbibed free trade doctrines from their ordinary class-books, and no newspaper of any importance advocated any other views. The few attempts to influence Parliament were not made on the floor of the Chamber, but by means of select committees appointed to report upon matters not necessarily involving a consideration of the fiscal problem. In 1862 a Committee of the Assembly was appointed to inquire into the state of manufactures and agriculture in the colony. This committee recommended that, should it be found necessary to revise the tariff, the alteration should be so made that it would tend to encourage the manufactures and cultivation of the colony. Little notice was taken of this recommendation, and four years later William Macleay obtained the appointment of a committee to inquire into the distress among the working classes. In reporting, the committee recommended the imposition of 20 per cent *ad valorem* duties on all timber, except in the log, furniture, carriages, and other manufactures of wood; boots, shoes, saddlery, and harness, and all apparel and slops imported after 1st July 1867. When the report came before the Assembly, so little support was given to the committee that the House was counted out during a discussion for its adoption. On the occasion of the discussion of the report of the committee of 1866, Parkes took the leading part in opposition to its views. In spite of his early dalliance with protection, he had returned to the colony in 1862 a convinced and ardent free-trader, and during the period of his power kept the colony strongly on the side of free trade.

On the separation of Victoria from New South Wales, the very light scale of duties then chargeable remained in force for several years without change, and even when the tariff was increased in 1855, owing to the necessity of obtaining a larger revenue, the duties were levied only on

seven classes of goods : on ale, porter, etc., 6d. per gallon ; coffee and chicory, 2d. per lb. ; molasses and treacle, 3s. per cwt. ; spirits, 10s. per gallon ; sugar and sugar-candy, 6s. per cwt. ; tea, 6d. per lb. ; tobacco and snuff, 2s. per lb. There was also the export duty on gold of 2s. 6d. per ounce.

From 1858 to 1861 the revenue of Victoria was less than the expenditure, and the question as to how the deficiency should be met, quickened into action the Protectionist ideas which were latent in the minds of a large section of the population. Large numbers of artisans, who had gone to Victoria as gold-seekers, found themselves after 1855 anxious to turn from such a speculative occupation and pursue their regular callings, but they were persuaded that the demand for their services was diminished very much by the large importation of manufactured goods. Against this importation, as has already been noticed, there was a constant agitation among the artisans, especially in Melbourne, and the trade unions of Victoria frequently denounced the practice of importing manufactured goods. When, therefore, an increase of revenue became necessary, an active propaganda of Protectionist theories took place. A tariff league was formed in 1859, with the object of securing such changes in the tariff as would encourage Victorian industries. There were, among the gold-miners, a number of men from the continent of Europe and from America who were accustomed to protective duties, and the Americans especially regarded them as tending to high wages and industrial prosperity. This American element had already affected powerfully the land policy of Victoria, and it hoped to exert a similar influence upon the tariff. The Protectionist policy was not taken up at first by either political party, but in the constituencies it gradually acquired strength, especially in the working-class parts of Melbourne, in Geelong, and in the towns on the goldfields. The middle class in the towns, especially in Melbourne, stood for free trade. The merchants and shopkeepers, generally speaking, were

involved in the trade in imported goods, and they and their employees were averse from hampering this trade by the imposition of duties. The fierce denunciations of "Collins Street," which were poured forth by Protectionist orators and newspapers, especially during 1865 and 1866, show how greatly free trade was identified with the Melbourne mercantile class.

In the country districts political feeling of any kind was not so pronounced as in the towns; neither the pastoralist nor the farmer suffered, or considered that he suffered, by outside competition in the local market; but as the Protectionists combined with their programme a distinctly liberal land policy, they received very considerable support from pastoral employees and men engaged about farms. The farmers were not generally anxious for protection, but the inclusion of a substantial duty on grain and flour in the proposed tariff was the answer made to those who declared that the farmer would get nothing from protection. The gold-miners were largely recruited from the artisan class, and were as a rule favourable to protection on general grounds, but a special inducement to support the party was found in the inclusion in its programme of a proposal for the repeal of the export duty on gold. At this time the most uncertain political factor was the squatting interest. From the point of mere numbers in the electorate, the strength of this interest was not great, but it was strongly represented in the Legislative Assembly, and the majority of the Council were either squatters or identified with the pastoral interests. As regards the incidence of the new duties likely to be imposed, the pastoralists would not be affected more than other members of the community, and, as a reduction in the duties on tea and sugar was inevitable, they were likely to benefit rather more than other tax-payers, on account of the large numbers of servants for whom they provided rations. Another reason which tended to influence the attitude of the pastoralists in the fiscal controversy upon which the colony had now entered, was the suggestion

more than once made by free-traders, that the possibility of obtaining revenue by an export duty on wool should not be overlooked; to any such duty all pastoralists, naturally, were opposed. Nevertheless the squatters throughout the most strenuous portion of the struggle usually ranged themselves with the free-trade party, especially allying themselves with the Melbourne merchants, with whom their business connexions were very intimate.

The attitude of the squatters at all times during the fiscal controversy was largely, if not entirely, influenced by the land policy of the Government in power, and they were frequently found opposing the imposition of a Protectionist tariff, with the object of affecting the land policy, the fiscal question being not a matter of real moment to them. The squatters as a whole were opposed to heavy customs duties whether imposed for revenue purposes or protection; they preferred that the Government should obtain as much as possible of its revenue from the land sales, so as to give them the opportunity of acquiring more land and consolidating their already existing holdings.

The first tariff which imposed protective duties was introduced by the Heales Ministry in January 1861, and it led to the defeat of the Government, but as an attempt to form an alternative Government completely failed Heales became Premier once more, with Grant as Minister of Lands. This Ministry continued in office until July 1861, when Parliament was dissolved. The new Parliament gave the Government a majority of forty-four in a House of seventy-eight members. At the end of October Verdon, the Treasurer, who was an avowed Protectionist, introduced his budget, and made the declaration that "it was an object with the Government to encourage the trade of the colony as much as possible, and therefore they had determined to impose *ad valorem* duties on certain articles . . . which competed with the industry of the colony." These *ad valorem* duties were on furniture and all manufactured woodwork, oilmen's stores, pre-

served fruits, musical instruments, jewellery, and silk goods. There were also to be fixed duties on butter, cheese, candles, vinegar, malt, rice, cocoa, and confectionery. In spite of the majority of declared supporters, obtained at the general election not three months previously, the Government was defeated on the budget by forty votes to thirty-four, the squatters combining with the mercantile party to bring about this result. It was stated in debate, and commonly admitted, that the division did not represent the fiscal opinions of the Assembly, but was, so far as the squatters' votes were concerned, an indication of their hostility to a Government which had declared itself opposed to the re-issue of squatters' licences. John O'Shanassy succeeded Heales, and in November 1861 his Treasurer introduced and succeeded in passing a budget similar in many respects to the one which had been rejected, the more important differences being the omission of the *ad valorem* duties on woodwork, musical instruments, jewellery and silk goods, and the imposition of a registration duty of 2d. on every package imported or exported, and upon every "unit of entry" in the case of goods introduced in bulk. The Governor in Council was empowered to fix what the unit of entry was to be for each particular class of goods. These registration duties were borrowed from a recent budget of Gladstone's.

The Lands Act of 1862 permitted arbitration as to the rent of runs, and it was hardly in operation when it was found that, contrary to the intentions of Parliament, its provisions were being used to reduce greatly the rents which had previously been paid by assessment. On 19th June 1863 Gavan Duffy, the Minister of Lands, announced the intention of the Government to revive the system of assessments and licence fees which formerly prevailed, with some amendments in details. When the matter came to be considered by the Assembly the squatting party deserted the Government, which was defeated by a large majority, and on 23rd June 1863 O'Shanassy resigned, McCulloch becoming Premier. The change of

Government did not give the squatters what they aimed at, for as far as the new Government had any definite land policy it was that the leases of runs should be let by public auction, which was even more distasteful to them than the policy they had just helped to defeat. The squatters, however, hoped to be able to use the respite they had gained, to make terms with McCulloch. The Government did not at once attempt to deal finally with the land question, but adopted the temporary expedient of leaving the law affecting licences and leases as it was, "with the exception that power will be given to open any cases where there is a semblance of fraud, or where erroneous decisions have been arrived at with regard to the capability of the runs." This decision was made known on 4th August.

The tariff question was not raised immediately by the Government, as time was needed to reconcile the conflicting views of its members. McCulloch himself was a free-trader, and associated with him in the Cabinet was Higginbotham, who professed the same views; but other prominent members, Heales, Verdon, and Grant, were closely identified with the policy of protection. The only change proposed in the tariff was the substitution of wharfage dues for the registration fees which the previous Government had imposed. This change was introduced, at the suggestion of the Melbourne merchants and shippers, as being more equitable than registration fees. The land question, the settlement of which was avoided when McCulloch took office, now urgently demanded attention; and a Land Bill was brought forward, which was passed by a bare majority in the Assembly, and immediately thrown out by the Council. A dissolution of Parliament followed, the general election being held in October 1864. Between the dissolution and the election McCulloch, though he still declared himself a free-trader, stated in reply to a deputation that "it was the intention of the Government to make an alteration of the tariff in a certain direction," but that "it was impossible to come to any-

thing like an exact conclusion as to the amount that may be necessary to be imposed upon commodities not at present taxed." The Ministry was returned to power by a large majority. Its views on the tariff question were indicated pretty clearly in the Governor's opening speech to Parliament in November 1864. He said, "It is proposed by my advisers that the revenue to be collected through the medium of the Custom House shall be levied partly by reduced duties on articles already chargeable, and partly by duties, moderate in amount, on various commodities which as yet have been altogether exempt from taxation. The effect, it is conceived, of the proposed measure, will be to decrease the burden of taxation borne hitherto by the mining and other industrial classes, and to distribute it more equitably among all classes of society." In January 1865 proposals were brought forward for altering the tariff. The duties on tea, sugar, and opium were reduced, a system of measurement and *ad valorem* duties was imposed, and the export duty on gold repealed. The measurement duty was 5s. per cubic foot on packages containing apparel, slops, articles of wool, cotton or linen, boots, shoes, hosiery, hats, caps, saddlery, and earthenware, and the *ad valorem* duty was 10 per cent on other groups of manufactured goods.

These duties were very repugnant to the mercantile classes in Melbourne. They objected especially to the measurement duties, and before the Bill was sent to the Council the tariff was modified and specific duties were substituted. The tariff thus introduced could hardly be called protective, though it was not denied, by its authors, that its object was to check importation and to give some encouragement to native industries. In accordance with custom, when the tariff received the approval of the Legislative Assembly, the duties imposed by it were collected forthwith. But it was well known to the Government that the tariff would call forth great opposition in the Legislative Council, where the mercantile and squatting interests were powerfully represented, and

the Government sought to evade this opposition by joining the Customs Bill to the Appropriation Bill and sending them together to the Council. The Council refused to pass this measure on the ground that a Money Bill had been "tacked" unfairly to the Appropriation Bill, and a dead-lock ensued. The Government still continued to enforce the tariff, but the merchants, as soon as the Council rejected the Bill, sued for the return of the customs dues they had paid already, and were successful in the Courts, though the Government did not refund the money and continued for a short time to take bonds for the duties. As the Appropriation Bill had not passed, the Government was compelled to resort to an artifice, in order to use the funds in the Treasury. They elaborated a scheme by which they obtained the loan of the money required for certain necessary and urgent expenditure from the London Chartered Bank, of which McCulloch was the sole local director, the other banks refusing to take any part in the matter. The bank then sued the Government for the debt, the Attorney-General, by arrangement, confessed judgment, and a verdict was thus obtained without an actual trial. This course was followed again and again, but the Government did not obtain all the money it required in this way; it allowed its subscriptions to hospitals, some of the money voted for public works and some salaries, to remain in arrears, and by so doing made the action of the Council irksome and unpopular with many persons.

Meantime the Customs Bill was again sent up to the Council, no longer attached to the Appropriation Bill, but with the addition of a clause, by which it was sought to prevent importers, who had obtained verdicts in the Courts, from recovering the sums awarded. On this ground, therefore, the Council again threw out the Bill. In these circumstances the Government saw that it was impossible for it to continue to collect the duties imposed by the Bill, and on 17th November 1865 the Custom House was thrown open and immense quantities of goods were removed, without payment of any duty and without note

being taken of the goods issued. The Government then revived the "Units of Entry Act," which had been passed previously and which had never been formally abrogated, but which would have been repealed by the Customs Bill. Under it the Governor in Council had the right to fix the "unit of entry" for any particular class of goods, and members of the Government declared they would collect £150,000 under the Act, though it had never been intended for the collection of so large a sum.

On 28th November Parliament was dissolved, and the Ministry appealed to the country, the Assembly having previously drawn up a minute, in which it declared that the real objective of the Council was the land and not the tariff. The general election returned McCulloch to power again. The Government decided in February 1866 to repay the duties which had been collected under their tariff while retaining the sums paid on tea, sugar, and opium which had been collected on the higher rates of the old tariff. The same tariff was once more passed by the Legislative Assembly, and it was again rejected by the Legislative Council on 24th March 1866, on the ground that a preamble, which had been added to the Bill, contained words which bore the meaning that the Legislative Assembly had the exclusive right of granting supplies: because it repealed all existing customs duties and substituted a temporary provision, thereby imperilling the Civil List; and also because it dealt with the gold duty, which was "substantially a part of the territorial and hereditary revenue of the Crown." The McCulloch Ministry thereupon resigned, and the Governor requested Fellows to form a Ministry. Before definitely undertaking the task Fellows stipulated that McCulloch should pass a Supply Bill, and in the alternative, should supplies be refused, that Parliament should be dissolved. These terms were not accepted, he therefore declined to form a Government, and McCulloch remained in office. While these negotiations were in progress a despatch was received from England strongly disapproving of the part which the Governor, Sir Charles

Darling, had taken in the disputes between McCulloch and the Council. The Secretary of State, Cardwell, censured him for not interfering to prevent customs duties being levied, after their illegality had been decided by the Courts. He was also censured for not withholding his personal co-operation from the scheme of obtaining money which McCulloch's Government had adopted. This strong expression of opinion on the part of the Secretary of State, though it was not allowed to transpire, undoubtedly contributed to produce a more placable temper in the Government. A conference was arranged between the two Houses of the Legislature, and the preamble to the Customs Bill was so altered as no longer to offend the susceptibilities of the Council, which on its part abandoned its proposal to limit the operation of the tariff to three years, and waived its objection to the repeal of the gold duty being included in the Bill. This agreement was accepted as a solution of the dispute, and the Bill was finally passed on 17th April 1866.

The despatches of Cardwell, the publication of which had been withheld pending the settlement of the differences between the two Houses, together with a later one recalling the Governor, were now laid before Parliament. In a letter of justification, which he had sent to England, Darling had declared that he could not well summon as his Ministers the men who had acted in opposition to McCulloch's Government. To this Cardwell made the obvious reply that "it is one of the first duties of the Queen's representative to keep himself as far as possible aloof from and above all personal conflicts." Sir Charles Darling left Victoria on 7th May 1866, but he was fated, after his departure, to be the cause of a further grave conflict between the Assembly and the Council.

From the date of the passage of the McCulloch tariff the principle of protection became firmly established in Victoria. The long struggle between the Council and the Assembly had certainly caused protection to be regarded as a democratic policy, and had marked more deeply the

lines of cleavage between the two political parties, though those parties were the same in composition as before the struggle began. On the one side were the industrial workers of almost every kind, supporting protection, a very restricted immigration policy, and the easiest possible access to the land; on the other were the mercantile class, the large landowners and the squatters, as well as those whose interests and leanings, political and social, were bound up with these classes. The opposition of the landed interest to protection was the first to weaken, that of the mercantile interest remained strong for many years, and it is worthy of note that during the nine years, 1864 to 1872, the yearly address of the Chairman of the Melbourne Chamber of Commerce was invariably hostile to protection.

After protective duties were actually established, changes naturally occurred in the composition and policy of the party which actively supported them. A number of manufactories were called into existence by the operation of the tariff, and the proprietors of these were naturally interested in maintaining and if possible increasing the duties affecting their wares, while they were by no means concerned in checking immigration. Again, the gold-miners ceased to be such active supporters of protection after the gold export duty had been repealed, especially when they began to feel the incidence of the duties. In September 1874 the Mining Board of Ballarat petitioned against the existing tariff, on the ground that it cost each miner on an average 13s. a year in candles alone, while machinery, explosives, and oil were also heavily taxed. But the opposition to protection, as a political force in Victoria, may be said to be quite negligible after 1871.

In addition to the encouragement to Victorian manufactures which the tariff supplied, the Government obtained authority from Parliament to make grants of money and land, as bonuses for the establishment of new industries. Helped in this way, the first woollen mill in Victoria was opened at Geelong early in 1868, and glass and paper were

manufactured in the colony, for the first time, during the same year.

In 1867 the shrinkage in the income from land sales made it necessary for the Treasurer to increase the revenue from other sources, and an increase in the customs duties was decided upon. At the same time, the Government agreed to the request of merchants and others to substitute *ad valorem* duties for measurement duties, wherever these latter were levied. In proposing the new tariff, Verdon described its general effect as doubling the duties imposed in the previous year, and placing a duty of 5 per cent *ad valorem* upon other goods, with certain exceptions. A duty of 9d. per cwt. was placed upon imported grain in an unmanufactured condition, and 1s. per cwt. upon flour or other grain manufactures. This tariff remained unaltered until 1871. The General Election which took place in February of that year turned largely upon protection. The Tariff Committee of the Victorian Industrial Protection League formulated as its programme, the imposition of a 20 to 30 per cent tariff on all imported articles which could be manufactured in Victoria; the prohibition of all foreign prison-made goods, and the free admission of all raw materials which could not be produced in the colony. The League took an active part in the elections, and, as its candidates were generally victorious, it was recognized that an openly protective tariff would be introduced. Sir James McCulloch was again at the head of the Government, and his Treasurer, Francis, in May 1871, proposed a tariff which increased considerably the duties upon a number of articles, raised the *ad valorem* duties of 10 per cent to $12\frac{1}{2}$ per cent, at the same time placing on the free list about sixty articles which had hitherto paid 5 per cent *ad valorem*, but which yielded a very small revenue, and were not goods which competed with Victorian products. As this alteration did not provide the £200,000 of which the Government stood in need, it proposed also to impose a "property tax" of $2\frac{1}{2}$ per cent upon all rateable property, from which a revenue of £100,000 was anticipated.

This tariff satisfied no party. It was displeasing to the Protectionists because it fell far short of their hopes, and also because by raising the duties on unmanufactured tobacco, on hops, malt, and the excise on spirits, it was regarded as striking a blow at Victorian manufactures. The tax on property was unpopular with both parties, and when it was proposed about the end of June the Government was defeated by a majority of forty-eight votes to twenty-four. McCulloch at once resigned and a new Government was formed, with Gavan Duffy as Premier and Graham Berry as Treasurer. Both were strong Protectionists, but included in the Ministry were some avowed free-traders. The basis of agreement among the members of the Government was that, as the country was clearly resolved to have protection, it should have a comparatively high protective tariff on goods which could be manufactured in Victoria; but that in other respects the tariff should be simplified, and that drawbacks should be allowed upon goods re-exported, in order to help the intercolonial trade, which had suffered severely under the operation of the Verdon tariff. Graham Berry laid the proposals of the Government before the Assembly on 1st August 1871, by which they were received with favour. The specific duties on a considerable number of articles were increased in much the same way as proposed by Francis, and the *ad valorem* duties on others raised from 5 per cent to 10 and 20 per cent. Explaining the reasons which led him to put some goods in the higher *ad valorem* class and others in the lower, the Treasurer said, "In the 20 per cent list are all those manufactures which are finished or in a forward state, whereas the 10 per cent list consists of progress manufactures or manufactures upon which further labour is required." The 20 per cent list comprised boots, slops and clothing generally, woollen, silk and cotton goods, iron, steel and copper manufactures, and leather goods. About eighty articles which had previously been dutiable were placed on the free list. The excise duties were not increased, and no property tax was imposed.

To the Bill embodying the tariff changes the Council was inclined to make a strong resistance, and on the occasion of the second reading it was not passed, but on the motion for the second reading being again proposed a few days later, it was allowed to go through without division. The Council, on reflection, had come to the opinion that it would be useless to reject a measure which had been so definitely demanded by the electorate, and there was no possibility of any Ministry being formed that would not propose high protective duties. The second reading of the Customs Bill was taken on 26th October 1871, and this date may be regarded as marking the definite acceptance of protection as the fiscal policy of Victoria.

Three years later, Service, who was at heart a free-trader, made some alterations in the tariff, with a view to simplifying it; a few unimportant articles were placed on the free list, while some twenty others were removed from the 10 to the 20 per cent list, and in a few instances a fixed duty was substituted for *ad valorem*. In the following year (1875), as the revenue was in a prosperous condition, Service proposed to reduce the duty upon a number of articles, removing them from the 20 per cent class to a 15 per cent *ad valorem* class which he had decided to create. The idea underlying Service's proposals was to remove from the tariff altogether articles whose production in the colony had not been stimulated by the duties; to reduce to 15 per cent the duty upon those articles in the production of which the local manufacturer could "walk alone," that is to say, compete easily with the outside manufacturer; and to retain the 20 per cent duty only upon those articles the manufacturers of which, though not yet able to "walk alone," were sooner or later likely to be able to do so. As might have been anticipated, these proposals met with the strongest opposition from the representatives of all the interests affected by them, and were denounced by the Victorian Protection League "as a distinct breach of faith, thoroughly unsound in principle

and injurious in their tendency." The opposition was strong enough to defeat the Government, which gave place to one more in accord with the views of Parliament and the electorate.

The change which took place in the attitude of the country towards protection during the period was remarkable. At the beginning no important politician professed himself a Protectionist; at its close every serious politician was prepared to give his adhesion to the *national* policy. The Protectionist movement in Victoria was purely democratic in its origin. It was a policy forced by the constituencies upon their representatives, under the genuine impression that it would provide steady and well-paid employment for the industrial workers of the colony. Its adoption was accompanied by a very considerable increase in manufacturing industries, as may be judged from the fact that in the ten years from 1864 to 1874 the employment afforded by manufactories increased fourfold, 7046 persons being returned as employed in 1864 as compared with 28,036 in 1874. Doubtless there would have been considerable expansion in any case, but it would be idle to deny that a large portion of the increase was directly due to the tariff and to the tariff alone.

The financial difficulties of Tasmania during this period were greater, and persisted longer than those of any other colony. There was the same desire to avoid having recourse to direct taxation, and every Treasurer turned to the Customs House to obtain the necessary revenue. There were consequently frequent tariff changes, all in the direction of increased duties, covering a large number of articles. In 1858 the tariff list comprised only eighteen articles; in 1862, in the face of a heavy and increasing deficit in the public accounts, the list of dutiable articles was increased by the addition of fifty-three articles in common use, and an *ad valorem* duty of 10 per cent was placed upon a long list of other commodities. In the following year a package or measurement duty was substituted for the *ad valorem*, an additional 2s. a gallon was

put on rum, and the duties on tea, sugar, and other articles of common consumption were doubled. This change did not give the necessary revenue, and in 1864 ten other articles were added to the tariff. The Tasmanian Government now found out that piling duties one on top of another did not necessarily bring an increased revenue, and that in spite of the tariff changes the revenue went on declining. In 1858 the customs of the colony yielded £134,591; the changes of 1863 raised the revenue to £135,825, and there were hopes that the yield would be permanently sustained if not increased. These hopes were short-lived, and in 1865 the revenue had fallen to £119,460, in spite of the increased rates levied. The Government at last concluded that it would be useless to raise the duties any higher, and in the face of large annually recurring deficits it was necessary to devise some other expedient to make ends meet. Debentures had been issued from time to time to cover the revenue deficiencies, but this method could not be permanently adopted; moreover, Tasmania was anxious to borrow money for public works, and as lenders were disposed to be chary of an indigent borrower, the Government determined to substitute "sounder principles of financial administration." In July 1866, Meredith, the Colonial Treasurer, made a bold attempt to recast completely the fiscal arrangements of the island. He brought in a Bill "to impose Duties on Profits arising from Property, Professions, Trades, and Offices." In this Bill he proposed to abolish customs duties, except on spirits, tobacco, and malt liquors, and to give up wharfage dues altogether, thus making Hobart and Launceston free ports. In order to make up the revenue from customs thus sacrificed, he proposed a tax of $5\frac{1}{2}$ per cent on the annual value of real property, according to its valuation for purposes of local taxation, which he estimated would yield £38,500, and an income tax of $5\frac{1}{2}$ per cent on all incomes of £80 and upwards, which he calculated would yield £70,812. He would lose £61,000 from customs, and £4000 from harbour dues, so the difference would provide the necessary increase

of revenue. By these means he hoped to revive the trade of the ports, and to make Tasmania the entrepôt for the whole Australasian group.

The scheme was too revolutionary for the time and the place. There was no disposition among the wealthy classes to submit to direct taxation, in order by so doing to relieve the poorest of the indirect taxation which they bore; and, as the legislature was largely ruled by the wealthy classes, it was inevitable that Meredith's proposals should be rejected or greatly modified by Parliament. The property taxes were reduced to 3 per cent on the second reading of the Bill, and afterwards to $2\frac{1}{2}$ per cent, and this step necessitated the retention of some customs duties other than those at first proposed. The hope of success for the plan was thus diminished, and the Government was ultimately defeated on its Bill by twelve votes to eleven. The proposal was the most striking financial scheme which was put forth in any of the Australian colonies during this period of tariff reconstruction; but it was unfortunate in its place of origin, and it is open to doubt whether the sluggish temper of Tasmania's trading class and their utter lack of enterprise would have permitted them to develop the scheme had an opportunity been afforded to them. The defeat of the Government in the House was followed by a defeat at the polls, and Sir Richard Dry's Government came in, pledged to walk in beaten paths, and hoping to make the revenue equal to the expenditure by paring down expenses and slightly increasing the duties, where it was thought they might bear an increase.

It cannot be said that South Australia had any very definite tariff policy during this period. The chief interest of its politicians was centred in providing an Australian market for the surplus agricultural produce of the Province; the other two great exports, wool and copper, being considered able to look after themselves. So far, then, as they manifested any settled policy, it was in the direction of the encouragement of intercolonial trade.

South Australia was prepared to accept the tariff drawn up at the intercolonial conference held in March 1867. This was a simple tariff based on free-trade lines, but, as the representatives of Victoria and New South Wales could not induce their Parliaments to accept the arrangements they had made, the South Australian Government refrained from proposing them, and the suggested tariff came to nought. Although South Australia would, for the sake of uniformity, have been agreeable to accept a free-trade tariff, nevertheless opinion in the Province was not unaffected by the campaign for protection which was going on in Victoria; and, shortly after the Melbourne conference, an Industrial Protection League was formed in Adelaide, one of whose objects was to return Protectionists at the General Election which was to be held at the end of the year. The League had no immediate success, and though there was a deficit in the revenue for the year, no attempt was made to increase import duties.

At the beginning of 1870 the colony was in grave financial difficulties. There was a great falling off in the general revenue, also in the land revenue, and as the expenditure did not admit of substantial reduction, it was necessary that increased taxation should be resorted to. In May the Governor's opening speech to Parliament announced that, with a view to increasing revenue and improving trade and employment, "certain alterations will be proposed in the Customs tariff with the view of removing some of the restrictions on colonial industries and of assimilating our tariff to that of the neighbouring colonies." It also foreshadowed "the granting of rewards for the establishment of new and important industries." Immediately afterwards, however, the Government resigned, and Hart became Colonial Treasurer in the new administration. He was well known to be a free-trader, but he did not disavow the policy to which his predecessors had committed themselves, and the Government proposed and carried two votes, of £2000 each, to be offered for the first ten thousand yards of woollen tweed manufactured in the

Province, and for the first thousand tons of pig-iron so manufactured. In the debates on these votes some members expressed themselves in favour of protective duties, but most of them supported the bonus and objected to protection. The tariff was not dealt with immediately, as an intercolonial conference was to be held in Melbourne, which was to deal principally with the question of an Australian tariff union. In making a Ministerial explanation on the subject Hart said: "If we can arrange for a uniform tariff between Victoria and ourselves, we may secure the introduction of free trade between the colonies; and thus what has so long been desired may be accomplished. A very considerable addition of revenue would be obtained for this colony by the adoption of the Victorian tariff, but I believe that in very many respects the Victorian tariff is not suitable to this place, and, in making arrangements with them, we hope, if it is possible, to bring about an arrangement with the other colonies for a uniform tariff that will include various alterations in their tariff, and that will be acceptable to this House."

On 16th June 1870 the South Australian Parliament was prorogued in order that Hart might represent the Province at the conference, and it did not meet again until 22nd July. In the meantime the hopes of South Australia were completely disappointed. It was found impossible to adopt a common tariff, as New South Wales stipulated for free trade and Victoria that her own protective duties should not be greatly altered. An attempt was then made to form a customs union between Victoria, South Australia, and Tasmania, but this also failed, as Victoria insisted that the other two colonies should accept its tariff for a period of years, during which Victoria might alter it, but not South Australia or Tasmania. It was impossible for either of these colonies to make such a concession, and the only result of the conference was to engender a feeling of hostility in South Australia against Victoria, which was displayed at the first opportunity.

Hart laid his tariff proposals before Parliament on 7th

September 1870. His objects as declared by himself were, to raise revenue, to encourage native industries, and to retaliate on Victoria by imposing duties, which would affect its trade with South Australia, and which would give the latter a strong position in any subsequent attempt to bargain with Victoria. With these objects in view he increased the number of articles paying a fixed duty, also the *ad valorem* duty to 10 per cent on a number of "articles of luxury or articles that may readily be produced here, and which would employ a great number of people," and extended the 5 per cent *ad valorem* list. The 10 per cent list included brushware, building materials, china and glass, clothing, manufactured iron work (but not agricultural implements, which paid 5 per cent), leatherware, etc.; in many of these articles Victoria did a considerable trade with the Province. A fixed duty of 9d. per cwt. was also placed on potatoes, "in view of the obstinacy of another colony in continuing the duty on our cereals." It need hardly be said that the attempt to retaliate on Victoria failed of its object; indeed its only direct result was to cause the Victorian Parliament to increase the duty on wheat and flour imported into Victoria.

The manufacture of ready-made clothing was established in South Australia as a result of the tariff, and a small tweed factory came into existence; but the increase of manufactures during the period was not great, and no attempt was made to increase the protection afforded to them. Hart maintained that his tariff was "not protective, but discriminating," but he admitted that he had been struck in Melbourne by the increase of manufactures, and he appeared hopeful that something of the kind would happen in Adelaide. The Hart tariff remained in force until 1876. In the interval it became apparent that a customs alliance with Victoria was not to be obtained, and South Australia began to look to New South Wales, which offered a market for its produce which Victoria refused. It was in the spirit of assimilating the tariff with that of New South Wales, that its reconstruction was

undertaken by the Ayers Ministry. Public opinion would have resented any attempt to decrease the *ad valorem* duties on goods which were beginning to be manufactured in South Australia, and these were retained, but there was otherwise a considerable simplification of the tariff. Ayers thus described the changes it effected: "Under the 1870 tariff there were 762 enumerated articles, of which 107 paid a fixed duty, 182 a 5 per cent *ad valorem* duty, and 380 a 10 per cent duty, only 93 being free. Under the new tariff 180 would pay a fixed duty, 190 a 10 per cent *ad valorem* duty, and 8 a 5-per cent duty. This would leave about 350 articles free."

A sort of fiscal indecision was typical of the attitude of South Australia during the whole period. Its leading men were nominally free-traders, yet they willingly proposed and retained duties of a strongly protective character, under which vested interests grew up, which, later on, had a decided effect in shaping the fiscal tendencies of the Province.

A very great change was made in the Queensland tariff in 1866, when the simple list of dutiable articles was exchanged for a much more formidable one, and a duty of 10 per cent *ad valorem* was placed upon other imported goods. This revision of the tariff was dictated solely by financial considerations. In the hasty readjustment, which the financial crisis of July 1866 made necessary, no question of protection or free trade was raised. Nevertheless, before this tariff had been in operation very long, it was seen that the duties did affect such native industries as the growing and manufacture of sugar and tobacco. The Government of Queensland had never been averse from encouraging industries by legislation, as the early regulations in regard to sugar and cotton-planting prove, and in 1869 an Act for the Encouragement of Native Industries was passed, but no attempt was made to alter the tariff in order to increase the protection it gave. The tariff remained unchanged from 1866 to 1874. In the latter year the colony was prosperous once more. There was no need to

increase the revenue from customs duties, and there was a desire to remove some of the restrictions on trade. The Treasurer therefore introduced a tariff which, while increasing the number of articles subject to a fixed duty, abolished by degrees the *ad valorem* duties; measurement fixed duties being substituted for them in some cases, while in others the articles were admitted free of duty. There was considerable opposition amongst merchants to the measurement duties and these were ultimately withdrawn and the tariff recast. Under the amended tariff *ad valorem* duties at the rate of $7\frac{1}{2}$ per cent were retained until the end of 1874, when 5 per cent duties were to be substituted in their place. There was also a small free list, machinery, quicksilver, and salt being the principal articles admitted free. This tariff was decried by free-traders as the thin end of the wedge of protection; by their opponents it was described as a reversion to free trade. The tariff retained any duties that could be claimed to have led to the establishment of industries, but it did not increase those duties, and the Treasurer disavowed any Protectionist intentions. "In framing the tariff," he said, "I have not troubled myself as to whether the duties are protective or not. I have endeavoured to frame the tariff so that it shall not be oppressive and so that the revenue shall be easy to collect, and at the same time, if it shall incidentally promote the industries of the colony, instead of saying 'So much the worse' I say 'So much the better.'"

There was at this time no strong Protectionist party in the colony; indeed there were no manufacturing industries of any importance to protect, unless an exception be made in favour of the sugar industry.

IX

INTERCOLONIAL TARIFF RELATIONS

DURING the opening years of this period, trade passing across the inland borders of New South Wales, South Australia, and Victoria, remained free of customs duties under the agreement of 1860; and there was a disposition on the part of the Ministries then in office, to extend the obvious advantages of the system to the whole trade of the colonies. A conference of representatives of all the colonies was summoned to meet at Melbourne in March 1863 to discuss the question. To this conference Victoria, New South Wales, South Australia, and Tasmania sent delegates, who were not long in coming to the conclusion that complete intercolonial free trade was possible only under the conditions of a uniform tariff, applicable to all the colonies. Having reached this conclusion, the conference proceeded to draw up a customs tariff, which it was thought would meet the requirements of the situation; and the members separated, pledged to urge upon their respective Parliaments the desirableness of adopting this tariff, in place of the varying tariffs then existing. On their return home the delegates found that they had arrived at a determination at variance with the views held by the Ministries to which they belonged and by the majority of the various legislatures. The proposals were not only unheeded, but it was evident that the legislatures were disposed to travel in a quite opposite direction. New South Wales almost immediately imposed extra duties for the purpose of obtaining the additional revenue it needed.

and in Victoria there was a vigorous campaign, powerfully supported, to abandon the simple tariff then existing in favour of one of a strongly protective character. The movement in favour of uniformity therefore failed, but the inconvenience of six hostile tariffs was nevertheless recognized, and it was sought to overcome this by the various colonies entering into agreements with their neighbours, to make mutual concessions with the object of securing free intercourse between the colonies that were parties to such agreements. It was speedily discovered that agreements of the kind contemplated would be contrary to the provisions of their constitutions. In 1866 Sir John Young at the instance of the New South Wales cabinet, and voicing the general sentiments of all the colonies, sent to England a despatch recommending that "the Imperial Parliament should be invited to pass a measure for the purpose of repealing those provisions of the Constitutions of the Australian Colonies which prohibited the imposition of discriminating duties, so far as to allow the importation by land or otherwise of the produce of any of them duty free." Before steps could be taken to meet this suggestion the Parliament of Tasmania, which colony was suffering severely from its comparative exclusion from the Victorian markets, passed a Bill authorizing the imposition of differential duties; these duties to be graduated according to the treatment Tasmanian produce received in the markets of the other colonies. It was thought that the effect of these duties would be to compel Victoria to lower its tariff, but the Bill was not fated to become law. It plainly contravened the constitution, and on that account was disallowed on the advice of the Duke of Buckingham and Chandos, who was then Secretary for the Colonies. The growing traffic across the Murray River, between Victoria and New South Wales, had called into being a chain of customs houses along the river, and the interference of these with trade was so great and the outcry in the border districts so formidable, that the Governments of the colonies concerned hastened to con-

clude what was locally termed a border-treaty. Under this treaty goods passing borderwise from one colony to the other were free of duty, Victoria paying £60,000 a year to New South Wales to recoup that colony for the revenue it was conceded might be lost to it under this arrangement. The local acts approving of this treaty were reserved for the consideration of the Crown, but the Colonial Secretary made no difficulty in advising that the Royal assent should be given to them. In his despatch of January 1868 the Secretary for the Colonies thus stated the difference between the Tasmanian case and that of Victoria and New South Wales and the principles guiding him in dealing with these matters. "Her Majesty's Government would gladly aid in the establishment of a Customs Union, comprising all the adjacent Australian Colonies and providing for the free importation of goods from colony to colony, for an equitable division of the Customs duties, and for a uniform tariff as between Australia and other countries or places, and they are not unwilling to take into consideration any particular relaxation of the existing rule, which might be justified or necessitated by peculiar circumstances: but they cannot propose to Parliament a measure which could not well stop short of the virtual repeal in favour of the Colonies of that clause in the Australian Government Act which prohibits the imposition of differential duties and might seriously embarrass the action of this Government in their commercial relations with other countries."

This policy of the Colonial Secretary did not commend itself to the Australian Governments, and in July 1870 a conference attended by ministers representing Victoria, New South Wales, South Australia, and Tasmania, was held at Melbourne; the principal business of which was to consider the desirableness of establishing a Customs Union for the Australasian colonies, under which term New Zealand was included, in support of the removal of all restrictions on intercolonial trade. Amongst the first acts of the conference was one to pass a resolution asserting "the right of the Australian Colonies to enter into arrangements with

each other for the reciprocal admission of their respective produce and manufactures duty free, or on such terms as may be agreed upon." The conference had been called mainly at the instance of Tasmania, and the representatives of that State made a strong effort to have a resolution passed in favour of a Customs Union, but without avail.

The Tasmanian Government undertook to prepare a draft measure for submission to the various Australian Governments giving effect to the resolution above quoted, in favour of reciprocal arrangements for the admission of products or manufactures; in October 1870 this Bill was passed by the Tasmanian Parliament, but reserved by the Governor for the Queen's approval. Meanwhile, at the Colonial Office, the Duke of Buckingham and Chandos had given place to Lord Kimberley. The latter entirely approved of the policy declared by the Duke in his despatch of January 1868, a policy which was determined largely by the strongly free trade attitude of both parties at the time in England; and in July 1870 Kimberley sent a circular letter to the Governors of all the Australian colonies so that they "should not misunderstand the views of Her Majesty's Government with regard to intercolonial free trade." "The different colonies of Australia," he wrote, "are at present in respect of their Custom duties in the position of separate and independent countries. So long as they remain in that relation, a law which authorized the importation of goods from one colony to another on any other terms than those applicable to the imports from any foreign country would be open . . . to the objection of principle which attaches to differential duties. . . . But Her Majesty's Government would not object to the establishment of a Customs Union between the Australian colonies whether embracing two or more, or the whole continent. . . . If any negotiations should be set on foot with this object you are at liberty to give them your cordial support."

In March 1871 the Tasmanian Government drew up a memorandum, which the Governor of the colony sent to

England, again urging the Imperial Government to pass an enabling measure, which would allow any Australian colony to admit the produce of any other colony on a more favourable tariff than would be granted to England or to a foreign country. When this memorandum reached him, Lord Kimberley was considering what reply he should make to the resolutions of the Australian conference of 1870; in the end he decided to address a circular letter to the various Australian Governors, in which he would fully discuss the whole problem at issue. This letter was despatched in July 1871, and commenced by carefully pointing out the difficulties which might arise with foreign nations under the "most favoured nation" clause, should the colonies differentiate in their duties between one state and another. Lord Kimberley went on very unwisely to raise the fiscal question: "Her Majesty's Government are bound to say that the measure, proposed by the Colonial Governments, seems to them inconsistent with those principles of free trade which they believe to be alone permanently conducive to commercial prosperity, nor, as far as they are aware, has any attempt been made to show that any great practical benefit is likely to be derived from reciprocal tariff relations between the Australian colonies; . . . it can hardly be doubted that the imposition of differential duties upon British produce and manufactures must have a tendency to weaken the connexion between the colonies and this country and to impair the friendly feeling on both sides." An intercolonial conference held at Sydney in September 1871 considered this despatch. The colonies impatiently brushed aside the objection founded on the difficulty arising from foreign treaties, and ridiculed the idea that foreign nations could have any status for objecting to the internal trade arrangements of parts of the same Empire. They pointed out that what they asked for had already been conceded to Canada, and, while protesting strongly their loyalty and good feeling towards Great Britain, they still insisted on their original demand. The delegates of the four colonies concerned --

New South Wales, Victoria, South Australia, and Tasmania—adopted resolutions to the effect that (a) Australian colonies had the right to make arrangements with each other for commercial reciprocity; (b) no treaty should be concluded by the Imperial Government interfering with the exercise of such a right; and (c) that “Imperial interference with intercolonial fiscal legislation should absolutely cease.” The reference to protection had proved particularly distasteful to Victoria. Gavan Duffy, who was Premier at the time, drew up a minute which Lord Canterbury transmitted to the Colonial Office, in which he pointed out that the views of English politicians as to free trade and protection were quite out of place in such a discussion as was proceeding, and stated that Australians were “naturally impatient of being treated as persons who cannot be trusted to regulate their own affairs at their own discretion.” Victoria, in fact, had not forgotten that in 1866 the Imperial Government had interfered in her fiscal controversy, elsewhere also there was a decided feeling against the policy of the British Government. In November 1871 Lord Belmore wrote from Sydney: “Upon practical grounds I think Her Majesty’s Government will do well to make the concession which the four colonies which joined in the discussion demand. . . . I am sure the true policy with regard to Australia, so far as the law permits of it, is to do everything to bring its various divisions closer together, even at the expense of a certain amount of economic theory.”

In reply to these communications Lord Kimberley wrote on 19th April 1872, discussing at great length the questions involved and asking for further friendly discussion. It had become known that New Zealand had asked for power to make international trade agreements, and in some quarters it was thought that the acquisition of this power was what the Australian colonies were aiming at, though none of them had so far asked for such power. The whole question of treaty-making came before the Legislative Assembly of Victoria in September 1872, and a resolution was passed

affirming that the power to make international treaties was inherent in the Sovereign of the British Empire, but asking again for power to conclude intercolonial agreements. This was the view taken in all the colonies. In order that the business should be brought to a head, a conference was held in Sydney during February 1873, at which delegates from all the colonies were present. They passed a resolution which Sir Hereules Robinson, by their request, cabled to England, stating that it was "their duty to urge upon the Imperial Government the removal of the restrictions which preclude two or more colonies of the Australasian group from entering into arrangements for the admission of articles, the growth, produce, or manufacture of any part of Australia or New Zealand, upon terms to which they may mutually agree; the Conference express their earnest hope that Her Majesty's Government will introduce at as early a date as possible the necessary measure of legislation to give effect to the wishes of the Conference." To this Lord Kimberley replied in March 1873 that the necessary legislation should be introduced forthwith, and a Bill known as the "Australian Colonies Duties' Act" was introduced and passed in the following month. Lord Grey raised a dissentient voice when it was under discussion in the House of Lords, but Lord Belmore and Lord Canterbury, both former Governors, were present to support Lord Kimberley in his declaration that it was neither politic nor right to withhold from the Australian colonies any longer the power to make any trade arrangements between themselves that they desired.

X

THE CRISIS IN QUEENSLAND DURING 1866

WHEN Queensland was separated from New South Wales the Treasurer of the new colony found himself absolutely without funds ; indeed the authorities of the Mother Colony claimed a balance of £30,000 due to it for works constructed in Queensland prior to separation. The population of Queensland was 23,000, and from so small a number it was impossible to obtain a revenue beyond the bare needs of Government. In 1860 the revenue was £178,589, and, as the Government was bent on adopting a policy of energetic development, it soon became necessary to supplement the ordinary revenue by borrowing. In 1862 a loan of £123,800, bearing interest at 6 per cent and redeemable in 1882, was placed in Brisbane, the price obtained being £104:1:11 per cent. The proceeds of this loan were applied to purposes of immigration and public works. The next year another 6 per cent loan, this time for £707,500, was successfully placed in England by the Union Bank of Australia, who were the financial agents of the Queensland Government ; the debentures were repayable in 1883, and realized an average price of £102:5:5. Owing to the sanction given by Parliament to the construction of railways, it became necessary during 1864 for the Government to arrange for the placing of further stock, to the value of £1,019,000. This loan was also entrusted to the Union Bank, and the manner in which it was dealt with will be discussed in another place. Coming so easily into the possession of these monies, the Government lost little time

in dissipating them. During 1864 the expenditure on the loan account was £563,531 ; in 1865 it leapt up to £1,248,777, which was equivalent to £15 : 10s. per inhabitant. There can be no doubt but that public opinion regarded this lavish outlay with approval. The leading men in the colony were determined, so far as lay in their power, to precipitate the progress of their country by stimulating trade and attracting labour. To attain these ends a vigorous campaign of public works seemed to be the readiest means. In a pamphlet on "Queensland as a Field for Immigration," issued at the beginning of 1866, the Government works were detailed, and the high wages given to men employed upon them were stated, as among the principal attractions which Queensland had to offer to immigrants. The works themselves were for the most part ill-designed, and their immediate or prospective utility was less considered than their geographical distribution. Nearly every member of the Legislature busied himself in obtaining as great an expenditure of public money, in his electorate, as possible. The expenditure of money in one district was made the reason for like expenditure in another district, where perhaps no works were required. A railway having been made from Ipswich in the southern district, which was undoubtedly a work of public utility, a demand was immediately set up for a railway in the north ; the demand was complied with and a railway constructed, which remained useless and unused for many years. Many other examples of a similar character might easily be culled from the records, especially in regard to roads and bridges. The estimates upon which expenditure was authorized were purely farcical and were exceeded in every direction. In addition there was a decided tendency to charge to the loan account expenditure which ought to have been defrayed out of ordinary revenue ; but this was a fault the Queensland Government had in common with all its neighbours and which Australian Governments are still prone to commit.

The debentures for the loan of £1,019,000, authorized in 1864, were sent to London, and about £300,000 sold during

the first seven months of 1865; but towards the middle of 1865 it became impossible for the Union Bank, which represented the Government in this transaction, to dispose of the debentures at or above par, and from August 1865 to February 1866 no sale of stock was made. The bank, however, continued to make advances, in anticipation of the money to be obtained by the sale of the debentures, and for such advances the market rate of 10 per cent was charged.

The Queensland Parliament met on 10th April 1866, after a recess of seven months. During this interval there had been a reconstruction of the Ministry. Herbert, who had been Premier from the foundation of the colony, wished to return to England, and in order to facilitate the work of his successor he retired from office a month or so before the meeting of Parliament. He was succeeded by Arthur Macalister, who had been his Minister for Lands and Works. Macalister continued to retain his old portfolio with the premiership, and though there was some slight change in the personnel of the new Ministry there was no change of policy. In the explanation of the changes which Herbert gave to the Legislative Assembly, immediately on its reassembling, he said: "In the new arrangement which has been successfully completed, my honourable friend at the head of the Government has always consulted me, and I think that in the steps he has taken he has acted very wisely. Under these circumstances I am, of course, prepared to give a general support to the present Government, upon general questions, so far as I can see my way to do so." The new Government therefore inaugurated no new policy, and took the same optimistic view of the financial condition of the colony as did its predecessor.

In his opening speech to Parliament on 10th April the Governor said: "The revenue of the colony continues steadily to increase . . . and the prospect presents itself that we shall be enabled to commence the year 1867 with Ways and Means considerably in excess of the estimated

expenditure. Some portion of this gratifying prospect is due to the amended tariff. Some portion also to the reassessment of Crown lands, while a large addition may shortly be anticipated from the proceeds of the railways."

Early in the year the Union Bank had made some difficulty about continuing its advances to the Government, which now stood indebted to it for a considerable sum, but the Government having agreed to allow the sale of its debentures at £97 : 15s., the bank was able to dispose of £250,000 of stock at the rate named, and as it appeared not unlikely that sales, at the same price, could readily be made, the bank willingly continued to finance the Government, advancing money on the security of the debentures yet unsold.

The first sales of stock had been made at an average price of £102 : 5s. per cent, and the drop to £97 : 15s. somewhat alarmed the new Treasurer, who called the attention of his colleagues to the matter in a minute laid before the Executive Council on 25th April 1866. In his minute the Treasurer stated that "in the altered state of the money market at home, which has prejudicially affected the sale of Queensland as well as other public securities, a portion of the debentures of the present loan have not realized full rates, and there is reason to fear, should the high rate now ruling in England be maintained, the balance of the debentures remaining will be similarly affected." The possible difficulty of obtaining money on satisfactory terms was mentioned also in the Assembly, but no steps were taken to provide for the contingency by a reduction of expenditure or by an increase of revenue.

On 9th May the Treasurer, in moving that the House should resolve itself into a committee to consider Ways and Means, estimated that there would be a small credit balance at the end of 1866. He himself was a new member of the Government and had formerly criticized its extravagance, but the only hint of his previous views was the statement that "the fluctuations which have lately taken place in

the position and affairs of this colony may bring about an unforeseen state of affairs, which no Treasurer can possibly make his calculations sufficiently close to meet," and that in such a case "additional taxation would have to be imposed." The new Government did not propose to enter upon any fresh schemes of public works, and every one was well aware that the loan authorized in 1864 was insufficient to provide for those already in hand. An additional loan had been contemplated from the first, but it was thought better to raise the money by degrees as it was wanted. The Government was responsible for no new extravagances, but it made no new economies, continuing on the lines that its predecessor had followed, and apparently receiving no warning, from the difficulty found in floating the 1864 loan, as to the possible fate of a successor. On the contrary, colonial financiers surveyed with pride the price at which their debentures could once more be sold, and seemed to see no danger in depending, for their expenditure on public works, on the complaisance of the bank.

The need of a new loan was imminent. In May, Bowen laid before the Executive Council a report from the Auditor-General, showing that there remained of the money already borrowed, so small a balance "legally available" for further operations that the public works must be stopped if a fresh Loans Act, providing funds for the completion of works already authorized, should not be passed during the current month. On 15th May, Herbert, in a discussion on Ways and Means, drew the attention of the Government to the very small amount of the loan of 1864 which still remained, and trusted that the Treasurer would "introduce this week and pass through all its stages a Loan Bill, because it appears by the documents that have been placed before us that out of the sum of £1,019,000 which was authorized to be raised by the Loan Act of 1864, there is now available only a few thousand pounds, and the state of matters is so imminent that we shall have a large number of public works to carry on without any authorized

means of carrying them out." A new Loan Bill was introduced at once, and received the Royal Assent on 23rd May. It authorized the issue of further debentures to the extent of £1,170,950, of which £200,000 was to be devoted to immigration, £891,000 to railways, and the rest to other public works. The passing of the Loans Act did not, however, put the Treasurer in possession of funds. The Government was indebted to the Union Bank for advances against unsold debentures, and the Bank refused to increase its advances against the same class of security, and therefore could not be employed to negotiate the new loan. In its necessity the Government eagerly grasped at an offer, made by the Sydney agency of the Agra and Masterman's Bank, to place a loan in London for £500,000, and grant accommodation until the whole loan could be made available. The Oriental Bank in Sydney acted as the agent for the Agra and Masterman's Bank, and debentures to the amount of £500,000 were sent to Sydney for transmission to London, and it was expected that part of the proceeds of the sale of these debentures would reach Brisbane on 17th July 1866. Meanwhile, the Union Bank, on the strength of the arrangement made with the Agra and Masterman's Bank, undertook to honour cheques, to the extent of £100,000, drawn by the Government for salaries and other departmental disbursements, but not for large contract accounts. It was believed that these arrangements would prevent the financial embarrassment and business dislocation which seemed inevitable. Nevertheless the Government found itself compelled early in June to reduce the number of men at work on the railways, as the revenue of the colony showed signs of falling off, and the accommodation obtained from the Union Bank was strictly limited.

On 10th May the failure of Overend Gurney & Co. was gazetted in London, and as this occurred on the first day of the May wool sales, it had an immediate effect on the demand for wool, the price of the staple declining nearly 3d. per lb. Overend Gurney dragged down other houses

in its fall, and the great contractors Peto, Brassey, and Betts, who had several large contracts in Queensland, including the railways and the Victoria Bridge, and the Agra and Masterman's Bank, were named amongst the wrecks. The news of these failures was telegraphed from Adelaide, and became known in Brisbane on 10th July; it was also known that the bank had failed before the debentures entrusted to it had been sold.

The Queensland Government had pinned its faith on the success of its operation with the Agra Bank, and now found itself without money to meet its debts, with a revenue insufficient for its ordinary expenditure, and with no prospect of realizing the authorized loan, until such a period had elapsed as to allow of entirely fresh arrangements being made for its issue in England. The Union Bank of Australia, which was still the Government bank, as soon as the news arrived took the extraordinary step of refusing, without notice, to cash the Treasurer's cheques. Macalister bravely faced the task of reorganizing the public finances and of bringing order into the business of the colony; but the confusion into which Queensland had worked itself was not merely due to local causes, and for the time was past remedy. The position of affairs was briefly and uncompromisingly described by Macalister in a letter addressed to Bowen and laid before Parliament. In this he declared, "The Government account at the Bank is largely overdrawn, our credit is stopped, and the Government cheques dishonoured. We are landing thousands of immigrants upon our shores without the means of paying for landing them from the ships or of supporting them for a single hour. We are largely indebted for the conveyance of these immigrants from England, without the present means of meeting such indebtedness. We have introduced many thousands of individuals, who have landed in Queensland on the faith of being employed on our public works, and upon whose labour along our several railway lines thousands of others are dependent. We have entered into large contracts for the employment of these people, and

we are considerably indebted to the contractors at this moment without having money to meet their demands. If these works are stopped, we are equally unable to support the labourers, while the possible dangerous consequences to stations and property along our lines cannot be estimated. We are also liable at any moment to be sued by all parties who have claims against the Government."

The position was indeed very serious. The Cabinet met and discussed the matter on 11th July, and the same day, in reply to a question in the Legislative Assembly, Macalister stated that, if they were unable to secure sufficient help from the banks to meet their immediate necessities, the Government intended to recommend the issue of legal tender notes, not convertible on demand, which they could employ until the sale of the loan debentures had been arranged again. The heads of the banks in Queensland met the Government. They offered to find £90,000, including in this sum £75,000 for which the Government was already indebted to them. They demanded in return that all public works should cease, and that additional revenue to the extent of £200,000 should be provided by extra taxation. They considered that the £15,000 thus offered would enable the Government to meet its most pressing liabilities, apart from money owing to contractors for public works, it being suggested that obligations to contractors should stand over till a fresh loan was secured.

The proposals of the banks were not at all acceptable to the Government. The sum offered was ludicrously disproportioned to the necessities of the case: £100,000 was required to meet urgent liabilities, and £15,000 was offered. Not only so, but the conditions laid down by the banks were regarded as unwise. It was obvious that if the Government were immediately to suspend the prosecution of all public works, it would have upon its hands thousands of people whom it had induced to come to Queensland under promise of constant work, and whom therefore it was morally bound to support. Apart from this consideration, it was evident that the sudden stoppage

of certain public works would entail the loss of much of the money already expended upon them. The question of extra taxation was also a difficult one. It was agreed on all sides that more revenue must be raised, but the country was in such a condition that the immediate imposition of additional duties was not likely to produce any sensible increase in revenue. Such being their views the Government refused to stop all public works, and as it could not obtain additional revenue in time to be of use it decided to place before Parliament, for its acceptance, a Bill to authorize the issue of legal tender notes and Treasury bills. The position of the Ministry was complicated by the fact that, on 10th July, it had been defeated in committee of the whole House on an amendment to its Land Bill and, though Ministers had declared their intention not to resign, it was known that they might at any time be again placed in a minority. It is worthy of notice that the mover of this adverse amendment was Raff, the local director of the Union Bank of Australia.

The Opposition, which had first asserted itself on the question of the Land Bill, showed an inclination to oppose the financial measures suggested by the Government. And in this it was supported by Herbert, who, on the proposals of the Ministry coming before the Legislative Assembly, moved for the appointment of a select committee to consider the suggestions for relieving the financial situation. In this and other steps, directed against the financial proposals of the Macalister Ministry, Raff identified himself very closely with Herbert: and the Ministry felt very keenly that while Raff could, as a member of the Assembly, harass it in its parliamentary business, as the sole local director of the Union Bank he could, if he chose, put great pressure upon it to enforce compliance with his views. The committee lost no time in considering the subject referred to it, and reported on 17th July that there was a pressing necessity that not less than £100,000 should be made available to meet immediate liabilities, and a scarcely less pressing need for at least £400,000, to enable

the public works in progress to be continued. To provide these sums it recommended that the Government should issue legal tender notes to an amount not exceeding £200,000, which was the average circulation of bank-notes in Queensland. Other proposals had been considered, but the one recommended was "the only plan suggested, calculated to afford the immediate relief urgently needed." The committee considered that the issue of Treasury bills and the increase of taxation would be "tardy in their operation, and would fail in the essential condition of affording immediate relief." Nevertheless it recommended, as a supplement to the legal tender notes, the issue of £250,000 in short-dated Treasury bills, and that steps should be taken to augment the public revenue "to a limited extent." The report of the committee was therefore entirely favourable to the view of the Ministry. In the meantime the Governor, Sir George Bowen, had indicated to Macalister that the issue of an inconvertible paper currency was one of those acts which, by the terms of his office, he was expressly forbidden to sanction, and he announced his intention "under no circumstances" to give the Royal Assent to such a measure. Macalister endeavoured to convince him that the occasion was of such peculiar and urgent necessity that it would not be inconsistent with his instructions to assent to a temporary measure of the sort desired, but nothing could move Bowen from his position. He then took the unusual step of putting the public in possession of his views, before Parliament was able to consider them, because "to engage the attention of Parliament with a measure which *cannot* become law would seem to be occupying precious time which could be employed in discussing and maturing measures which *can* be brought into immediate operation." Bowen believed, and stated his belief publicly, that the difficulty could be met by the issue of Treasury bills simply and by increased taxation, without recourse to the issue of legal tender notes. Finding himself thus in opposition to the Governor, Macalister resigned, and in spite of

Bowen's earnest request refused to withdraw his resignation. The correspondence which had passed on the matter was made public, and, on 20th July, Raff stated, in the Legislative Assembly, that Herbert and himself had been called upon by the Governor to advise as to the best course to pursue, and they had consented to take upon themselves the responsibility of passing such a measure as would meet the urgent requirements of the situation. They did not accept the usual offices, because they did not wish to vacate their seats and thereby cause the delay which would be entailed by their having to go to their constituencies for re-election. They proposed therefore to be sworn in as members of the Executive Council without portfolios. Herbert himself had no intention of again taking up the burthen of office; indeed, as soon as the crisis was over he desired to go back to England. But others of his colleagues intimated their readiness to accept certain offices, and to appeal to their constituencies in the usual way as soon as Parliament had made the necessary financial provision to meet the emergency. To this course Macalister objected very strongly. He claimed that any Money Bill which was not introduced by the responsible Ministers of the Crown was informal and unconstitutional; and he offered, if the Governor's new advisers would allow themselves to be gazetted in the ordinary way, to remain in the House, and help to pass the measure they deemed proper to introduce. But this offer Herbert and Raff would not accept. The members of the new Ministry were, however, gazetted, but not in the ordinary way to certain offices, and after an adjournment of a few hours, to enable the official gazette to be issued, they returned to the House from which Macalister and his followers had retired. Herbert's party were able to make a bare quorum, and a Bill authorizing the issue of £300,000 in Treasury bonds at 10 per cent to be current for twenty-four months was then introduced, and, the standing orders having been suspended, was passed through all its stages in both Houses and received the assent of the Governor on the same day.

Next morning the new Ministers were gazetted regularly. Meanwhile public feeling was at boiling-point. Large meetings were held for the purpose of denouncing the Governor and his irresponsible counsellors, and on the day when the Treasury Bond Bill was passed Herbert was assaulted in the streets of Brisbane, his hat was knocked over his eyes, and he was pelted with stones and mud by a yelling crowd.

There can hardly be any doubt that Sir George Bowen made several grave errors during the crisis. He could hardly have been blamed if he had refused assent to the Bill for the issue of an inconvertible paper currency, but to express his intention of vetoing the Bill before it was presented to him, even before Parliament had considered it, was highly unconstitutional. Equally censurable, in a constitutional Governor, was his action in endeavouring to force his views on his responsible advisers, and making these views known to the public.

The Macalister party maintained that the Governor's proper course would have been to allow their financial proposals to be laid before Parliament and dealt with by it in the ordinary way. Macalister himself declared it was his intention to have passed a Bill authorizing the issue of Treasury bills, as well as the Bill for the issue of legal tender notes, and if both Bills had passed it would have been open to the Governor to assent to the one, and to reserve the other. Such a course would have given precisely the same relief as that which was ultimately adopted, and no reasonable exception could have been taken to it. As it was, the Governor was identified in the popular mind with the Herbert party, and was accused of being ready to be unconstitutional on their behalf, while he refused to go beyond the letter of his instructions to help the other side. Matters went so far that a petition was sent to England for his removal, but the English Government had no quarrel with his action, and nothing was able to shake his self-complacency. He never publicly attributed the crisis to the extravagance and short-

sightedness of the Government over which from the beginning he had presided; indeed he never seems to have realized that such was the case. In September 1867 he wrote to the Duke of Buckingham: "This depression, the effects of which have not yet entirely passed away, was the result partly of prolonged droughts . . . partly of that over-trading and over-speculation so common in all young countries, and partly of the great financial crisis in England."

The measures taken by the Herbert Government brought partial relief. The bonds were sold at a trifling premium in New South Wales and Victoria and, to some small extent, in Queensland. Hopes had been entertained that the bills, which were issued in sums as small as £10, would circulate as a currency in the same way as Exchequer bills did in Scotland, and, for this reason, they were declared a legal tender for rent and taxes. The bills were not, however, used in this way; they were, for the most part, put aside, and did not reappear until their due date.

So far the disorders of the colony had not greatly interfered with employment, but four days after the fall of the Macalister Ministry the Bank of Queensland suspended payment after a short career of three years, and with it fell practically all the investment companies which had entered into business since the separation of the colony from New South Wales. The whole fabric of social polity seemed to the bewildered eyes of the colonists to be absolutely disintegrating, and stoppages of payment by private firms occurred in large numbers daily. Thousands of persons lost their employment, or if retained in employment received no pay, employers undertaking to pay them some time in the future, if they were able to do so.

The failure of the bank and so many public companies showed that it was not only the Government of Queensland which had been living upon borrowed money. The notes and bills discounted by the banks, which amounted to £1,234,653 in the first quarter of 1864, had reached £2,300,963 in the third quarter of 1866. The liens upon sheep and cattle were enormous, and they were held very

largely by merchants in Victoria and New South Wales. Most of the squatters in Queensland were over head and ears in debt, and when the banks began to restrict their discounts it was feared that general bankruptcy might be the result. Things did not actually come to this pass although they were bad enough. There were 156 bankruptcies in the colony during 1866, involving liabilities of about a quarter of a million, of which the realized assets were not £1000, and in 1867 about the same number with liabilities nearly twice as great; but, generally speaking, the banks gave as much support as they prudently could, and, in time, confidence returned.

The emergency Government which had been formed on 20th July lasted only eighteen days. The newly gazetted Ministers went to their constituencies for re-election. Herbert had not accepted a portfolio and had no need to go to his constituency for re-election. Pring, the Attorney-General, who was to have been Premier on Herbert's retirement, was defeated at Ipswich, and Dalrymple also failed to secure re-election, and this very decided indication of the feeling of the people showed the new Ministry that they did not command confidence. Conferences took place between the two parties and, ultimately, a coalition was formed. Macalister, Bell, and Lilley united with McLean and Watts of the Herbert party. Macalister becoming Premier. A sixth Minister, S. G. Gore, was subsequently added to the Cabinet, and appointed Postmaster-General, who represented the Ministry in the Council. Though he had not been in office before, Gore professed himself a believer in Macalister's policy, and it must therefore be considered that Macalister had decidedly the preponderating influence in the new Cabinet. It was agreed that the question as to the land policy should be allowed to lapse, and that both parties should unite in an attempt to place the finances of the colony on a sound basis. This was the view taken by Herbert, and no doubt he exerted himself to bring about this compromise. "We have all helped to bring the colony into a mess, and we must

all take our share of the blame.” This he had said on assuming office on 20th July, and on this principle he acted during the remainder of his stay in Queensland.

The money obtained by the sale of the Treasury bonds remaining after the pressing creditors of the Government had been satisfied, proved quite insufficient for the purposes of Government; it was speedily exhausted, and, much against its will, the Ministry was compelled to stop public works. In this way upwards of a thousand navvies were thrown out of employment. Further retrenchments followed. Along the lines of the new railways the store-keepers and small tradespeople were ruined. The threats of the unemployed were as the hoarse murmur of a coming storm. When Macalister again returned to power, on 7th August 1866, the country was in the throes of a financial crisis. House-owners could get no rents, the wages of artisans sank rapidly. Without any prospect of obtaining immediate employment, lacking both money and credit, many of them on the verge of starvation, the railway labourers were driven to desperation. Meetings were held, and wild threats uttered against the Government that had broken faith with its employees, and still the stream of immigrants kept flowing in and adding to the difficulties of the situation. Relief camps were opened in Brisbane and elsewhere, and parties of unemployed were despatched to Rockhampton and Maryborough, where it was rumoured that some employment for them might be obtained. These palliatives were of little effect on the general situation, and the distress of the unemployed and their dependents deepened daily.

Macalister's second Ministry met Parliament on 18th September 1866 and immediately declared its intention of introducing two Bills—one for the issue of Treasury bills to the value of £300,000, and the second for a like amount of Treasury notes. The money which had already been obtained was not exhausted, but what remained was only sufficient to last two months longer at a moderate rate of expenditure; while the possibility of placing a loan in London

at an early date was very remote. In these circumstances obtaining money in the colony was the only alternative. The Bills above referred to were designed to provide the funds immediately required. The Notes Bill gave authority for the issue of Treasury notes up to the value of £300,000 secured upon a reserve of gold and Treasury bills to a like amount, one-third of such reserve being in gold. The notes were to be payable in gold on demand at the Treasury, Brisbane. The plan of the Government was to sell Treasury bills to the extent of £100,000, and the gold thus obtained, with the remaining £200,000 of authorized bills, would form the required reserve. By this means the Ministry thought to obtain the use of £300,000 while paying interest on £100,000 only. It was thus assumed that the notes would be retained in circulation, and that demand for their payment in gold would rarely be made. The Ministry believed, and so informed Parliament, that a Government issue of paper-money would be welcomed by the people as, owing to the recent failure of the Bank of Queensland, all bank-notes were regarded somewhat with suspicion. It was expected that the Government notes would supersede those of the banks, and in time their circulation would reach £200,000. There was undoubtedly a shortage of currency especially in the country districts, as was obvious from the fact that the Bank of Queensland notes still circulated, though the bank had closed its doors two months before. The Ministry anticipated that there would be no necessity for a further issue of Treasury bills beyond the £100,000 already placed, as it was intended to issue the Treasury notes in payment of wages and to small contractors, and thus obtain a direct circulation for them. Bankers in Victoria and New South Wales had complained that, as a result of the earlier issues of Treasury bills, their deposits had been decreased, and it had been necessary for them to restrict the accommodation they would otherwise have granted their customers. Though it was endeavouring to oust the notes of the banks from circulation, the Ministry hoped that, as it was not making any direct demand on

the market, by offering Treasury bills for sale, its scheme would have the general support of the banks and other financial institutions. In this expectation it was disappointed. The financial arrangements of the Government received little support from the banks, and the Treasury notes did not succeed in displacing the existing paper circulation. The notes of the Bank of Queensland were withdrawn and their place was taken by the Government notes, otherwise there was no change. At first there was some difficulty in keeping the Government notes in circulation, owing to latent prejudice on the part of the public and to the passive resistance of the banks. Many of them were returned to the Treasury with great rapidity, some even in the course of twenty-four hours. A Select Committee of the Legislative Assembly inquired into the subject in October 1867, and came to the conclusion that the limited amount which the Government was able to put into circulation, about £24,000 at that time, was not enough to repay the trouble and risk which the system entailed, as well as the slight expense. The notes continued to be used for the period for which they were authorized; the last of them were retired at the end of 1869, by which time the public had become used to them and would accept them without reserve. The average value of the notes during the three years they remained in circulation was about £31,000.

In September 1866 Herbert went to England, having accepted the appointment of financial agent to the Government of Queensland, with instructions to place on the market the loans already authorized. The unsold portion of the loan of 1864 was first put on the market and disposed of before the close of 1866 at an average price of £85 per cent. The £1,170,950 loan of 1866 was then offered, but Herbert was not able to sell the new debentures except in very small amounts, and it was not until he had increased the brokerage commission from the usual $\frac{1}{4}$ per cent to $2\frac{1}{4}$ per cent that he was able to sell any appreciable quantity, and then only at the comparatively low price of £87 : 15s.

In March 1867 £250,000 of Stock was placed in this way, Herbert binding himself to keep off the market for six months. In April, however, there was a decided improvement in the price of the Stock, which rose to £94, and from that time no difficulty was found in disposing of the rest of the issue. In 1872 Queensland had so completely recovered her financial prestige that the Treasurer was in a position to talk of consolidating her loans at 4 per cent interest.

The difficulties of Queensland in 1866 were very much the same as those of South Australia in 1841, but they were on a larger scale and, as the colony was a self-governing one and was able to borrow even during its misfortunes, the punishment it received for its improvidence was decidedly less severe.

END OF VOL. II





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